

# *The* NATIONAL UNDERWRITER



Merry  
Christmas!

There is a Santa Claus, for a record total of \$350,000,000 will be distributed soon by the banks of this country to some 7,000,000 Christmas Club depositors. And, normally, 70% of this tremendous sum is spent for Christmas presents of all kinds — jewelry, furs, wearing apparel, cameras, projection machines, musical instruments, art objects, silverware, sports equipment, lamps, radios, electric refrigerators and automobiles. Yet this vast amount does not represent the complete picture, for additional large expenditures are also made by others not members of Christmas Clubs.

These purchases create in the home tremendous new insurable values. That's where you come in! Every agent can be his own "Santa Claus" by selling Jewelry, Furs, Personal Effects, Camera Floater, Musical Instruments, Fine Arts, Silverware, Sports Equipment, Fire, Extended Coverage Endorsement and Automobile Insurance, for example, to local clients and prospects. Here's to a prosperous Holiday Season!



**NORTH BRITISH & MERCANTILE  
INSURANCE COMPANY, LTD.**

NEW YORK — BOSTON — PHILADELPHIA  
DETROIT — CHICAGO — SAN FRANCISCO



[ 1809 — 131 Years of Strength and Stability — 1940 ]

**THURSDAY, DECEMBER 5, 1940**



1 A motorist from the South driving his car in a Northern state had an automobile accident involving injuries to a small boy.



2 No policeman could tell him where he might find an agent who represented the company in which he was insured.



3 Then, he tried calling on insurance agents and several replied, "Sorry, can't help you; it's not my company."



4 Finally a Travelers agent informed him that the company in which he was insured was licensed in only five states.



5 As a friendly service, The Travelers agent furnished an accident report for the motorist to fill in and mail to a competitive insurance company. The motorist went on his way rejoicing.



6 "You've taught me an important lesson, Mr. Agent, and next time I'll buy Travelers insurance. There is nothing like having courteous service when you travel and I've seen Travelers Agents' signs everywhere."

THE TRAVELERS INSURANCE COMPANIES • HARTFORD, CONNECTICUT

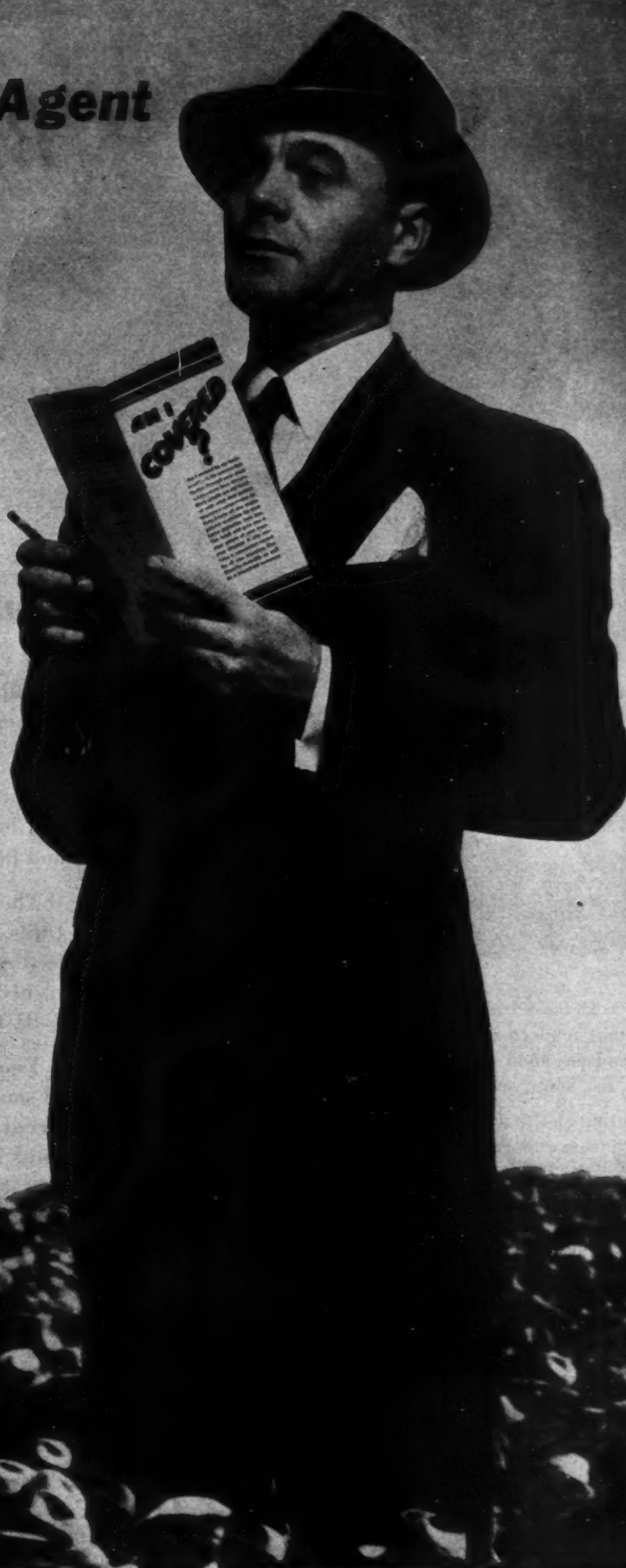


## Why Does This Agent Tower Above The Crowd ?

Because he sells protection--not policies. He contacts his clients regularly and knows their insurance needs.

What is more -- he familiarizes them with the insurance protection they have and what they *should* carry, by using such "America Fore" sales helps as "Am I Covered?".

If you are interested in seeing the type of material which helps alert "America Fore" agents sell -- a line to the advertising department will bring you a copy of "Am I Covered?".



### *America Fore Insurance*

THE CONTINENTAL INSURANCE COMPANY  
FIDELITY-PHENIX FIRE INSURANCE COMPANY  
AMERICAN EAGLE FIRE INSURANCE COMPANY  
FIRST AMERICAN FIRE INSURANCE COMPANY

*Eighty Maiden Lane,*



### *and Indemnity Group*

NIAGARA FIRE INSURANCE COMPANY  
MARYLAND INSURANCE COMPANY OF DELAWARE  
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President  
FRANK A. CHRISTENSEN, Vice-President

*New York, N.Y.*

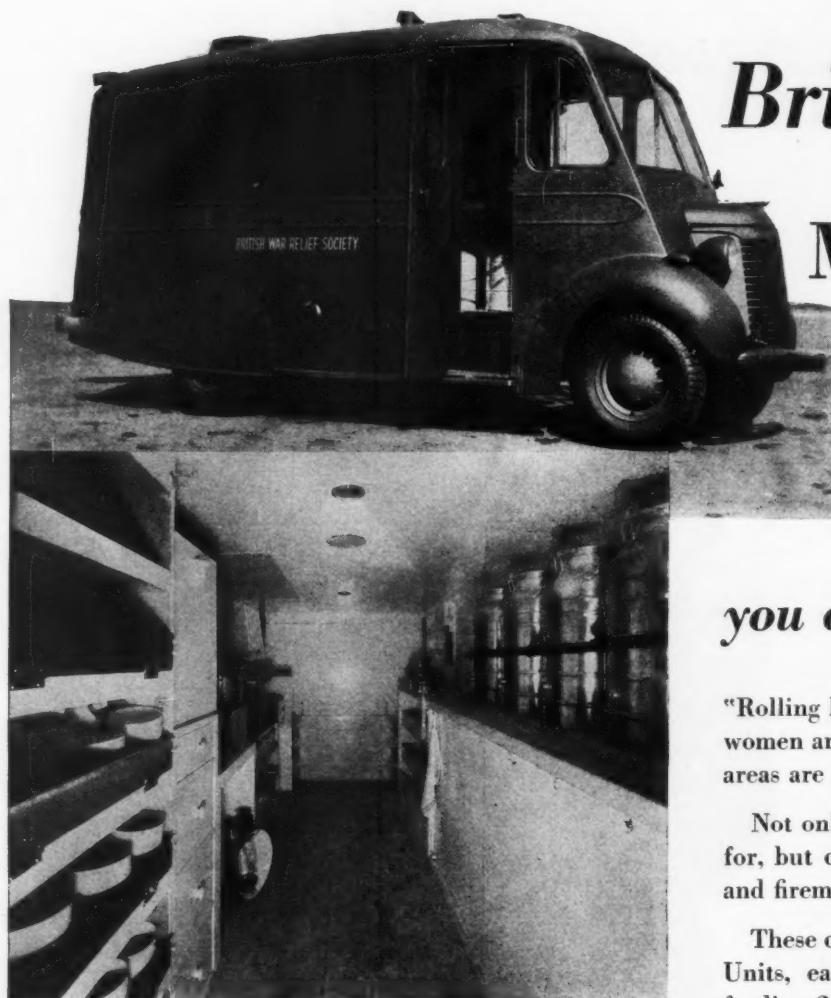
CHICAGO

SAN FRANCISCO

NEW YORK

ATLANTA

MONTREAL



# Britain needs MOBILE FEEDING UNITS

*you can help give one!*

"Rolling kitchens" (as pictured) to feed men, women and children of Britain in the stricken areas are critically needed NOW.

Not only distressed civilians must be cared for, but civil defense workers, rescue parties and firemen fighting big conflagrations.

These completely equipped Mobile Feeding Units, each costing \$2,000 and capable of feeding 200 people at a time, are ready to be rushed to the scene of attacks and bombings —BUT—many more are required *at once*.

Your contribution for any amount, large or small, will help! Funds are being transferred for immediate use to construct new Units in Britain, which will be on the road in operation within three weeks. Other units are being manufactured in America for shipment abroad at the earliest possible moment.

Please make checks payable to THE BRITISH WAR RELIEF SOCIETY, INC. (Mobile Feedings Units Committee) and send to address below. Acknowledgment will be made of all contributions.

New Mobile Defense Units are complete traveling kitchens, built with the most modern equipment that America can provide, including insulated food compartments, thermostat containers for hot coffee, tea, soup, and stew.

Commenting on the service rendered by these Units in London, a recent overseas report says:

"In the East End, when a large factory was bombed, six mobile canteens worked for twenty-four hours on end, so that the working people—who were on essential munitions—could carry on.

"In Plaistow and Shoreditch, thousands of people driven from their homes lined the streets. Without gas or electricity for heating, it was impossible for them to prepare any kind of hot drink or food. Every available mobile canteen was diverted to deliver supplies of tea and sandwiches, etc., to these homeless."

## BRITISH WAR RELIEF SOCIETY, INC.

*Registered with U. S. State Dept. 208*

**DOWNTOWN BRANCH . . . 150 WILLIAM ST. . . . NEW YORK, N. Y.**



# The NATIONAL UNDERWRITER

Forty-fourth Year—No. 49

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, DECEMBER 5, 1940

\$4.00 Year, 20 Cents a Copy

## C. E. Case Retires, No. 2 Man in North British Setup

**G. H. Duxbury Becomes  
Shallcross' Chief Assistant  
—Expand Stockham's Title**

Announcement is made that Charles E. Case will retire as assistant United States manager of North British & Mercantile and as vice-president of Pennsylvania Fire, Commonwealth, Mercantile and Homeland at the end of



CHARLES E. CASE

the year. Since 1922, Mr. Case has been chief assistant to United States Manager Cecil F. Shallcross.

On Mr. Case's retirement, his duties will fall largely upon George H. Duxbury, assistant U. S. manager of North British and vice-president of the four associated companies. He is thoroughly experienced in the organization.

The duties of John L. Mylod, also assistant U. S. manager and vice-president of the several companies in the group, will be enlarged but will continue to include the management of the western department.

### **R. P. Stockham is Advanced**

R. P. Stockham, who heretofore has been secretary, will become assistant U. S. manager of North British and vice-president of the four other companies. He is in charge of the financial and secretarial affairs and will continue in that work.

Mr. Case grew up with North British over a period of 35 years. When he graduated from Harvard in 1898, his father, Charles L. Case, was United States manager of London, but told his son that it would be better for him to start with some other company and suc-

(CONTINUED ON LAST PAGE)

## Farley, La Guardia Talk at Commissioners Rally

NEW YORK—At the mid-year meeting of the National Association of Insurance Commissioners two prominent politicians made addresses. James A. Farley, former Postmaster General, was introduced at the first business session and Mayor La Guardia was the luncheon speaker.

Mayor La Guardia was positive in his assertions. He devoted his talk largely to the subject of better public relations. Commissioner Blackall of Connecticut in introducing Superintendent Pink of New York, who presented the speakers, referred to the fact that the New York Life band had furnished the music at the luncheon and he thought it would be a good idea for other insurance companies to send bands over the country. Mr. Pink secured the two speakers for the occasion and introduced them.

Mayor La Guardia said that much is being heard regarding public relations, but in order to be effective such work must be done under wholesome conditions. High pressure salesmanship, he said, will be unable to put over a cause that is not just. In other words, he said that there must be a good commodity. Every kind of a thing, he said, cannot be put over. He referred to the very successful publicity given Ivory soap, declaring that here was a product worth while. Other soap manufacturers spent just as much money, but were not able to reach the heights as did Procter & Gamble. It showed, he said, that there must be substance and something worth while on which to base a public relations program.

### **Wants Lower Fire Rates**

Mayor La Guardia paid his respects to the fire insurance companies, saying that the National Conference of Mayors evidently feels that with more efficiency in fire departments and lower loss ratios, the insurance companies are not responding in giving lower rates. He urged the officials to give the matter serious attention. He is president of the mayors' conference and assured company officials that his special committee would be glad to talk the subject over with an insurance committee. There is no use, he said, to present any charts. He said that he was tired of looking at charts because one could prove anything with them.

In many cities, he said, during the last 15 and 20 years or so fire losses had decreased. With this fact in mind, he said, these cities feel that they are not being recognized for the improvements they have given. He came out very strongly against politicians being in the insurance business and thus attempting to influence public officials. He said that such a relationship should be boldly exposed.

### **Growth of Insurance**

He called attention to the fact that the insurance business has grown to remarkable size. First it was regarded as a luxury that could only be purchased by those with larger incomes. Life insurance, he added, is on a sound actuarial basis. The business has taken on a greater responsibility. Economic security in his opinion is one of the

great movements of the day and insurance plays a prominent part in it. The states started to work out some plan to provide for old age pensions. Now the federal government has adopted a measure along that line. He declared it would take several years to perfect a plan. There should be greater uniformity as to the amount of benefits and some other provisions.

### **State Sickness Insurance**

He said that a part of national social life is seen in sick insurance. Poor people, he said, are entitled to proper medical care. The public has been learning about the effects of medical attention. The people see that mortality has been decreased and suffering has been greatly reduced. Some take the ground that for government to provide medical care for those unable to pay for it is encroaching on private industry. He denied this and called attention to the effort on the part of state and national governments to provide better housing conditions and eliminate unsanitary and unsafe dwellings. It is cruel, he added, to force people to live under conditions that are inimical to health and safety. They breed both disease and crime. They cost the taxpayers more in fire prevention and police supervision. The government was forced to step in to protect the people and through sound, wholesome planning has accomplished much. He said that Superintendent Pink probably is as great an authority as can be found in the country on housing conditions.

The government, he said, must step in under these circumstances and be the sheltering arm of the poor. People, he said, should have the opportunity of living in decent quarters. If democracy is to live and function, he said, demands like this must be met.

### **Purchasing Housing Bonds**

He characterized insurance as a semi public institution. Life companies especially are limited by law to certain types of investments which he regards as desirable. He said, however, that they should be allowed to invest funds in these housing projects where they are planned wisely. These projects are promoted under government control by companies paying limited dividends. He said that life companies have been obliged to foreclose on thousands of farms and urban properties. In these housing projects they may not earn the interest that they are on some other investments but they are sure to get their money, he said. He invited a comprehensive study of these housing problems.

Mayor La Guardia said that he had become convinced that the office of insurance commissioner should be removed entirely from politics. He further said that savings banks which are not in the same category as commercial banks should be under the supervision of insurance commissioners.

In introducing Mr. Farley, Superintendent Pink said that the two subjects which occupied his mind in early days were politics and baseball. Mr. Farley's

(CONTINUED ON LAST PAGE)

## Annual Meeting of Commissioners Will Be in Detroit

**State Officials Accomplish  
Much at the Midyear  
Convention**

By C. M. CARTWRIGHT

NEW YORK—At the mid-year meeting of the National Association of Insurance Commissioners in this city the executive committee presided over by Commissioner Williams of Mississippi, the chairman, voted to hold the annual meeting in Detroit June 9-11, hotel to be named later. Commissioner Emery of Michigan presented the invitation for that city. Commissioner Neslen of Utah gave the invitation for Salt Lake City. Detroit won by a vote of five to four.

Commissioner Blackall of Connecticut, the president, right from the start demonstrated his ability, resourcefulness, ease and good humor in presiding. The roll call showed that there were 39 states and two Canadian provinces represented, McNairn of Ontario and La France of Quebec being present. Commissioner Gremilion of Louisiana was the only new official present at the opening session, although Director Hayden Davis of Illinois arrived later. Mr. Davis was accompanied by Special Deputy Frank Young, Actuary Ray Haffner, Chief Examiner Jost and W. M. Murray. Roy L. Davis, former assistant Illinois director, announced that both he and former Director Ernest Palmer were present. Mr. Palmer received a great burst of applause and the audience arose in his honor, showing the hold that he has on the organization and it was given an opportunity to express regard for him.

### **C. W. Lovejoy Present**

President Blackall announced that C. W. Lovejoy of Maine was present, he being now a member without a portfolio. In other words, he said: "Mr. Lovejoy is almost out and almost in." He assumed his new position with Massachusetts Bonding Monday and he and his family will soon take up their residence in Boston. No successor has yet been appointed.

Commissioner Holmes of Montana telegraphed his greetings and stated that he would not be in attendance. Inasmuch as he is the perennial sergeant-at-arms, President Blackall appointed Macdonald of Wyoming to occupy that position. A letter was read from Commissioner Woodward of Texas who has been seriously ill, stating that he is now at his office every day and is moving along with steady strides.

At the executive committee meeting Commissioner Williams of Mississippi called on zone chairmen to report. Blackall, of Connecticut is chairman of zone 1, Bowles of Virginia, No. 2, Mc-

(CONTINUED ON PAGE 25)

## G. W. Scott Heads Educational Work

### Assistant Secretary of National Agents Association Gets Important Post

Climaxing more than a year of study and groundwork development, the National Association of Insurance Agents has now inaugurated the second phase of its preparation for the construction of a nation-wide insurance educational program by announcing the appointment of Assistant Secretary George W. Scott as director of a new educational division. Mr. Scott, who has been on the headquarters staff for 13 years, will undertake his new work Jan. 1.

The appointment of Mr. Scott was ratified by the executive committee at a special meeting in New York. Insurance company groups which are cooperating with the National association in the educational effort endorsed the selection.

The coordination of educational activities of state associations and local boards will be Mr. Scott's first task. He will seek to centralize the cooperation of company and agency groups and to effect a liaison among the National, state and local associations and the organized fire and casualty companies.

The first declaration on the part of the association which indicated its desire to give direction and encouragement to the educational movement was made at the Boston convention in 1939. At the Wichita meeting in April, 1940, and again at the Buffalo convention last September, the association officially furthered their plans.

Many state associations and local boards have either inaugurated or further intensified educational activities during the past two years. Many states embraced the educational effort as the keystone and theme of their year's activity.

Assurances of assistance and cooperation have been received from the National Board, Association of Casualty & Surety Executives, Insurance Executives Association, and Business Development Office.

#### Dartmouth Graduate

Mr. Scott was born in Portsmouth, N. H., in 1905. He graduated from Dartmouth in 1926. Upon graduation he joined the Irving Trust Company of New York. In 1928 he went with the National Association of Insurance Agents as field representative. He traveled extensively in membership development work, cooperating with those associations that requested assistance.

In 1929 Mr. Scott was placed in charge of what was designated as the five year development program. First devoting most of his time to membership work and the further development and extension of coextensive local boards, Mr. Scott assumed additional responsibilities. From the time of the inauguration of the plan in 1927 through Aug. 31, 1940, there has been a 66 per cent increase in membership.

In recent years Mr. Scott's work in addition to supervision of membership and local board departments, has been part of the general administrative functions. He has addressed numerous insurance gatherings.

This fall Mr. Scott has been an instructor and lecturer on "General Principles of Insurance and Suretyship" at the Insurance Society of New York.

#### License New Christiania General

NEW YORK—The New York department has licensed the Christiania General of New York, with \$500,000 capital and surplus of like amount, for fire and allied lines. Its operations will be confined to treaty and facultative reinsurance. J. M. Wennstrom is president. The interests behind the new company were former owners of the Christiania General of Norway.

## Fete Massillon Agency's 50 Years



F. W. Arnold, president of the F. W. America Fore companies, presided at a golden jubilee dinner and presented Mr. Arnold a suitable memento. Others in attendance were Walter Sorg, son-in-law of Mr. Arnold, and several close friends. Assistant Secretary C. J. Lingenfelder and the Ohio fieldmen assisted in the ceremonies.

This old picture of the agency was recently unearthed. John S. Arnold is the man with the white beard.

Vice-president E. A. Henne of the

## Makeshift Lighting Causes No Serious Amarillo Fires

AMARILLO, TEX.—Although water was cut off or pressure seriously reduced for more than 30 hours by the ice storm of Nov. 24-25 and the entire city was forced to use makeshift lighting, there was no serious fire in the period. Fire officials believe the record demonstrates that a great majority of fires are due to carelessness, and that in the emergency when conditions are more hazardous, people realize this risk and use greater care.

A large bakery burned lard dips for an entire night's work in hand mixing bread. A large wholesale grocery had only a few lanterns and then used candles to light the warehouse men through the sub-basement and up the flights of

stairs with huge boxes—the elevator was off. Household lighting was by candle, kerosene lamps, lamps improvised from fruit jars, and gasoline torches. A leading hotel provided guests with candles to light their way down the 14 flights of stairs.

## Charter Oak Fire Capital to Be Raised to \$1,000,000

Because growth of premium volume warrants an increase, the capital stock of Charter Oak Fire will be doubled, raised from \$500,000 to \$1,000,000 when present plans are acted upon at a special meeting Dec. 16. Charter Oak Fire began business in 1935 and is the first Hartford insurer to increase its stock in the past 10 years. Charter Oak is one of the Travelers companies.

## THIS WEEK IN INSURANCE

Charles E. Case is retiring as assistant U. S. manager of North British & Mercantile and his duties as chief assistant to Manager Shallercock will be assumed by George H. Duxbury. **Page 3**

James A. Farley and Mayor La Guardia of New York City will address the mid-year meeting of the National Association of Insurance Commissioners. **Page 3**

National Association of Insurance Commissioners decides to hold the annual meeting next June in Detroit. **Page 3**

George W. Scott, assistant secretary National Association of Insurance Agents, is placed in charge of the educational division and will direct that phase of the work on a broad scale. **Page 4**

As a result of lengthy discussion at commissioners' meeting of the HOLC-SCA contract a new committee was appointed to go into all phases of insurance in relation to federal agencies and to report by Feb. 1. **Page 5**

Program is announced for annual meeting of American Association of University Teachers of Insurance in Chicago, Dec. 27. **Page 13**

Texas legislative committee recommends establishing fire rates on 10-year instead of five-year experience table and that insurance associations be prohibited from writing insurance. **Page 13**

C. C. Frazer of Aurora is appointed insurance director of Nebraska, succeeding C. F. Smrha. **Page 6**

Nov. 11 windstorm ship and cargo losses on great lakes conservatively estimated to be \$1,500,000. **Page 6**

G. W. Funk of Chicago, superintendent of agents Great American Fire, gives able address before the Chicago Fire Insurance Examiners Association. **Page 8**

L. E. Falls tells New Jersey real estate men at their annual meeting in Atlantic City that insurance policies, needed for protection of the interests of the buyer and the seller, are as important as the deed and the contract of sale. **Page 11**

Virginia F. & M. and Excelsior of Syracuse have formed a working alliance and the Virginia company has bought a large block of stock in the New York institution. **Page 6**

National Association of Insurance Agents and Association of Casualty & Surety Executives reach important agreement on countersignature practices. **Page 17**

Department of Labor spokesman predicts that accident rate will increase in connection with the defense program and urges the necessity of safety endeavor. **Page 17**

Indication that American Automobile may extend its operations beyond the automobile field is seen in its employment of Harry Lees, now with U. S. F. & G. **Page 17**

Frank C. Benzley becomes Pacific Coast manager of Phoenix of Hartford and Herbert Ryman, manager of Great American, as the joint office is reconstituted on a divided basis. **Page 2**

Possibility is seen of important litigation to determine liability as between various types of insurers for the Tacoma bridge loss. **Page 31**

## Set Mich. Mid-year Meet for Feb. 20-21

### Executive Committee Studies Bill to Legalize Personal Property Floaters

LANSING, MICH.—Mid-year meeting of the Michigan Association of Insurance Agents will be held here Feb. 20 and 21, it was decided at a meeting of the executive committee. While the program will be educational, with company experts explaining some important but little understood aspects of the business, it will not be strictly a school session, it was agreed, such as last year's. Subjects likely to be stressed, it was indicated, will be loss adjustment and underwriting features of U. & O. and some phases of casualty and surety lines.

It was decided to give every possible assistance to young agents who may be conscripted, the committee deciding to cancel the dues of such members and delegating to the agents' advisory committee, headed by Lee Dudley, Battle Creek, the job of directing the conservation of agencies affected in this way. It is anticipated that plans will be worked out whereby the business organizations of drafted men will be preserved for them as nearly intact as possible.

#### Constitutional Changes

Several proposed constitutional changes were framed for submission to the membership. They would provide for staggered terms of one, two and three years for executive committee members; allow each of the 15 districts to nominate its own committeeman; establish an advisory board consisting of past presidents, and allow the executive board to pick its own officers, not necessarily board members.

Executive committee members are now picked on an annual basis. The new advisory committee would be headed by the immediate past president.

Two other new standing committees were created at the suggestion of the president and Manager W. O. Hildebrand. They are: An advisory committee to credit men, to be headed by DeWitt Hoadley, Lansing, and automobile insurance study committee, headed by Alfred I. Dreifus, Detroit.

Other committee chairmen chosen by President David A. Forbes, Grand Rapids, were announced: Conference, George Carter, Detroit; law and legislation, Clyde B. Smith, Lansing; education, Carl Trager, Lansing, with H. Thompson Stock, Detroit, as instructor; rural agents, Leland R. Funk, Niles; fire and accident prevention, James E. Mayfield, Flint; speakers' bureau, Walter B. Carey, Detroit; membership, Guy M. Cox, Iron River.

Mr. Cox was one of two upper peninsula committee members who braved wintry conditions to attend the meeting, the other being John P. Old, Jr., Sault Ste. Marie. Ten others were present.

There was considerable discussion of the possibility of legislation to legalize the writing of the personal property floater by fire companies, now an illegal coverage in Michigan. It was learned that a bill has been tentatively drafted for introduction early in the session if strong agency approval is indicated.

Active assistance of the Michigan Fire Underwriters' Association, Surety Association and Casualty & Surety Executives Association will be sought in framing the program and staging the mid-year session.

#### Revive San Francisco Glee Club

The glee club of the San Francisco Blue Goose is being reorganized under the leadership of a committee headed by E. W. Bonstin, vice-president Pacific National Fire. The club hopes to make its first appearance at the pond's Christmas luncheon.



## HOLC Contract Is Given Airing by Commissioners

### New Committee Will Ponder Insurance Deals of All Federal Agencies

NEW YORK—At the meeting here of the National Association of Insurance Commissioners the insurance contract of the Home Owners Loan Corporation received an overhauling and airing. The ballroom was comfortably filled inasmuch as fireworks were anticipated. At the close of the open meeting the commissioners went into executive session under the auspices of the special committee headed by Blackall of Connecticut who had been appointed to look into the subject.

#### Cothran Speaks for SCA

P. C. Cothran, vice-president Phoenix of Hartford, and president of the Stock Company Association, started the ball rolling by stating that his organization desired to obey all rules and regulations. Furthermore, it was the aim of the committee to give the agents participation in the contract. Also, there should be no breakdown in the rate structure. The result was, he said, that the HOLC business would flow orderly through the regular agency channels. During the executive session there was a frank and open discussion on various phases of the contract. It was realized that different conditions prevail in different states. Some have rather rigid rating laws. Some require local agents to make inspections. Some have specific statutes that prohibit discrimination that might be applied to this contract. By a vote of 16 to 13 it was decided to refer the matter back to the special committee that would take cognizance of the points brought out in the sessions. Its powers were extended to authorize it to explore every situation of the methods of insuring property and risks of all federal agencies. This report must be in the hands of the commissioners before Feb. 1, which is the date of the termination of the HOLC contract.

#### Blackall Again Chairman

The committee consists of Blackall, chairman; Jordan, District of Columbia; Sims, West Virginia; McCormack, Tennessee, and Pink, New York.

Sims, of West Virginia, stated that he objected to the 25 percent payment to the HOLC which he denominated "excess commission." He charged that the contract was discriminatory and said that if this contract were proved to be legal, then all loaning agencies should be entitled to the same privileges.

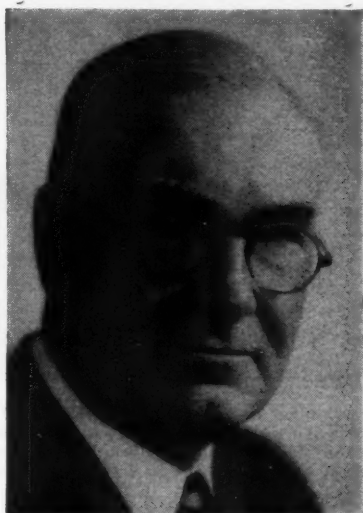
A. V. Gruhn of Chicago, manager American Mutual Alliance, said that his members simply desired to know if this contract was proper and if it was correct to allow commission to lenders for services, real or those it hoped to render or promised to render. If the commissioners decided that this is proper, it would establish a precedent and savings banks and other similar agencies would exact the same privilege. He said that the HOLC undoubtedly felt that the low loss ratio on its business, 32.5 percent, entitled it to some concession.

The agents of mutuals ardently desired to get in on this business. Mr. Gruhn investigated the plan and decided that it would not be proper after he had sent telegrams to all the commissioners to secure their opinion. The agents proposed an experience rating plan in view of the low loss ratio and he again sub-

(CONTINUED ON PAGE 7)

## St. Paul Joins Hail Association

St. Paul Fire & Marine, which had applied for membership in the Western Hail & Adjustment Association, was unanimously elected at the annual meeting in Chicago Monday. Secretary C. A. Dodsall represented St. Paul at the



J. H. MACFARLANE

meeting. St. Paul has always cooperated with the association and has operated in orthodox fashion, but until now had not seen fit to become a member. Much gratification was expressed at the meeting in having St. Paul in the ranks.

The executive committee held a meeting in the morning at which the recommendations of the advisory committee which were of a minor nature were approved. The full meeting was held in the afternoon and the executive committee's report was adopted.

The officers were reelected as follows: President, J. H. Macfarlane, secretary America Fore; F. H. Cornell, farm manager Home, vice-president; E. G. Frazier, vice-president Springfield F. & M., secretary; and H. W. Chesley, secretary Western Underwriters Association, assistant secretary. Mr. Macfarlane, in his presidential message, commented on the fact that the season had been profitable and that there was a favorable loss ratio.

## Finance Company Spokesman States Insurance Attitude

Clarence L. Landen of Omaha, president of the National Association of Sales Finance Companies, has addressed THE NATIONAL UNDERWRITER as follows:

"Our attention has been directed to an article appearing in your Nov. 14 issue entitled 'Suggestion Made on Finance Business,' presented by H. J. Heiman of Al Heiman & Co., Oklahoma City, in a letter written to W. H. Bennett, general counsel National Association of Insurance Agents. We do not wish to open a series of discussions on this subject, but feel that a short and to the point answer is in order, and will appreciate having you print this reply in the next issue of your magazine.

"In the first instance, Mr. Heiman presupposes that finance companies, because they in the main write insurance on financed cars, are competitors of insurance agents. We have been of the opinion that this thought is pretty well discarded. On the contrary, finance companies are creators of insurance business for insurance agents. Approximately only 50 percent of new motor cars sold are financed, and the insurance agent therefore has available to him all of the insurance on the 50 percent of new cars that are sold for cash. Furthermore, he has available to him, after the fulfillment of the instalment purchase contract, 100 percent of all the motor cars owned and paid for. If it were not for instalment selling made possible by instalment finance companies which has made mass production and mass consumption possible, it is questionable whether the total of motor cars sold in this country would equal as much as 50 percent of present production because of the fact that the selling price of motor cars would be substantially higher. Much more could be said on this point but these few remarks should suffice to result in conclusive reasoning by those interested.

#### Calls Scheme Fantastic

"Mr. Heiman proposes a rather fantastic scheme of capitalizing a so-called Underwriters Finance Company, \$10,000,000 of capital to be underwritten by 10,000 agents at \$1,000 each with an initial payment of \$200 cash for each subscriber, the balance to be paid over ten months. He proposes an additional \$10,-

000,000 to be raised by subscriptions from 100 insurance companies at \$100,000 each, making a total of \$20,000,000 of base capital with an additional \$20,000,000 of credit upon which to start operations.

"It is rather difficult for me with only 20 years of experience in the automobile and automobile financing business to visualize such a financial situation, but for the purpose of this article, let's say that it is a dream come true. We would have a company owned by 10,000 insurance agents, each with an initial cash investment of \$200, all without financing experience, engaged in acquiring instalment finance paper all over the United States. Of course, the task of training 10,000 men overnight would be Herculean, but we are still talking about a dream come true so let's suppose this would be possible. With \$40,000,000 of capital and credit immediately available and on the shelf, a volume of \$40,000,000 of business could be acquired. Since each of these 10,000 insurance agents is to have the right to acquire business and thus make a profit on the insurance written in connection therewith, there would be available to each insurance agent, if these funds were equally divided among the stockholders who would have equal interests, an opportunity to acquire \$4,000 of finance volume. Since the National Association of Sales Finance Companies reports that the average new car contract is for \$645, while the average used car contract is for \$280, each one of the 10,000 insurance agents would be able to buy six new or 14 used car instalment contracts annually, or somewhere between six and 14 mixed new and used car contracts. I wonder if the insurance agents, the insurance companies and the bankers who would be expected to put up the \$20,000,000, would find it worthwhile to entertain such a fantastic scheme of financing to reach an objective of from six new to 14 used car finance deals in order that the agent might receive the commission arising from these deals.

#### Net Earnings Problematical

"Mr. Heiman is very sure that the proposed company will, according to the history of such institutions, pay its owner a handsome return on their investment. It seems to me that if I were a banker called upon to supply part of the \$20,000,000 which is to be borrowed, I would reflect that 'such institutions' have always depended upon the insurance commission, or its equivalent, for a substantial part of their earnings. It would occur to me that the principal purpose of creating the proposed company is that it may forego that part of the usual earnings of such companies, and I should wonder whether there would be any net earnings at all.

"In conclusion, let me say this. Finance companies are not competitors of insurance agents because they create every dollar's worth of business they receive, and in turn create business for the insurance agent which would otherwise not be available. Isn't it conceivable to the thinking insurance agent and the thinking insurance company that if, through competitive forces, antagonistic rulings, etc., insurance agents and commissioners go too far in this direction, finance companies more and more will go into the insurance business as insurance carriers and endeavor to attract to their self-owned companies, additional business to that presently received on finance transactions?"

#### Evanson with Firemen's Group

Edward W. Evanson is named special agent in New York City for the Firemen's group. He has had extended experience in both fire and casualty lines, and is especially well posted on group disability covers.

## Figures in North British Change



R. P. STOCKHAM

R. P. Stockham, formerly secretary of North British & Mercantile, has now been given the title of assistant U. S. manager and vice-president as well. His duties are mainly in investment work.



JOHN L. MYLOD

John L. Mylod, assistant U. S. manager, is now being given enlarged responsibilities. His principal duty will continue to be supervision of the western department.

## Great Lakes Storm Toll Is \$1,500,000

### Post-Season Activity in Lake Shipping Causes Marine Men Some Concern

BUFFALO—Ship and cargo losses during the Armistice Day storm which swept the Great Lakes are estimated conservatively to be \$1,500,000, after a study by marine insurance experts of property damage surveys and reports here.

Hull loss of the William B. Davock, Interlake Steamship Company freighter which went down with all hands aboard, was estimated at \$275,000. The ship was sailing without cargo. The Anna C. Minch's hull loss was \$250,000 and her cargo loss \$55,000.

The Canadian freighter Novadoc's hull loss was \$160,000 and the cargo of coke she carried was valued at \$15,000. Scores of other boats were crippled by the storm and many cargoes were damaged.

#### Unusually Late Season

Meanwhile, marine insurance circles here are showing some concern over what promises to be one of the latest navigation seasons in the history of the Great Lakes. The post-season exploits of Great Lakes vessels promise to be numerous this year.

Although the shipping season officially closed Nov. 30, many boats, manned with hardy crews, will venture out into the rough seas to bring valuable cargoes of grain, ore and merchandise into port. With business crowding all available shipping capacity, many freighters are expected to make last minute sneaks down the lakes, counting on sheer luck to get them through before the Soo or the St. Mary's River are bottled up by a freeze.

They will run the risk of being battered by disastrous storms which have driven ships off the lakes in early December in other years.

The marine insurance world knows full well that the hazard of lake navigation mounts rapidly in early December. It is not necessarily because ships are apt to encounter heavy weather, but rather that they ice up badly, get "heavy on the head," and are dangerous to navigate.

#### Extra for Post-season Trips

The rise in the hazard is reflected in the way insurance premiums are increased. On a ship valued at \$300,000, for example, \$2,250 extra is assessed from Dec. 1 to 5; from Dec. 5 to 9, \$3,375, and \$4,500 if sailings are scheduled from Dec. 9 to 12. After Dec. 12, the insurance on a ship and cargo becomes a matter of private negotiation between the carrier and the underwriter.

It has been a big year on the lakes. Best guesses are that some 64,000,000 tons of ore have been handled this season. This is the fourth largest on record. Even in 1929, the total was only a little more than 66,000,000 tons. This year's grain receipts at Buffalo may pass 110,000,000 bushels.

#### Milligan Gets 5-Year Sentence

District Judge Shankland at Des Moines has sentenced David Milligan, former president of Western Mutual Fire of Des Moines, to a term of five years in the Fort Madison penitentiary. Milligan pleaded guilty to embezzlement. According to testimony presented to the grand jury by Commissioner Fischer of Iowa and others, Milligan admitted a shortage of \$60,000, lost through stock market operations. Later examinations disclosed the shortage was about \$140,000, according to the insurance department. The alleged embezzlement was said to be in the form of checks received from reinsurance companies in payment of losses.

Milligan has filed a bond to appeal to the state supreme court.

## GREAT LAKES STORM VICTIM GROUNDED



The S. S. Sinaloa, sand and gravel carrier, owned by the Tri-Lakes Steamship Company, Chicago, was one of the victims of the severe Lake Michigan storm. It is shown here grounded near Garden Peninsula, Mich., its stern resting on a ledge in about 9 feet of water. After it was washed ashore during the worst storm in history of the lake, coast guardsmen and fishermen rescued the crew of 41. The vessel was later refloated and towed to drydock. (Acme photo).

### Fraizer New Neb. Insurance Director

C. C. Fraizer, attorney and banker of Aurora, has now been appointed Nebraska insurance director. The appointment was forecast in last week's edition. Mr. Fraizer was president of the Nebraska Willkie-for-President clubs in the recent campaign. The appointment is effective Jan. 9. He will succeed Charles Smrha, a Democrat, who has been in the position since 1936.

Mr. Fraizer is a native of Indiana. He attended high school at Muncie, Ind., and received his law degree from George Washington University in 1914. He went to Nebraska to practice after the war. He is a former state commander of the American Legion and was a delegate to the Republican convention at Philadelphia.

#### POSSIBILITIES IN MICHIGAN

LANSING, MICH.—Although Governor-elect VanWagoner has given no indication as to appointments, there is much speculation among insurance men as to a new commissioner. It is conceded that Commissioner Emery will be replaced.

C. E. Gauss, Marshall, former commissioner, is most frequently mentioned as the probable appointee. Other possibilities include John Panchuk, assistant attorney-general and legal adviser to the department for the past four years, and John Gilmore of Detroit, former manager of the state accident fund. J. W. Mundus, Ann Arbor agent, who had been mentioned as a possibility, is said to have declared that he would refuse the post if it were offered.

#### HOLLAND MENTIONED IN MO.

JEFFERSON CITY, MO.—The completion of the official canvass, which showed that F. C. Donnell, Republican, defeated Lawrence McDaniel, Democrat, by 3,613 votes for governor of Missouri, has started some discussion on insurance superintendent. It is believed that Superintendent Lucas, a Democrat, would not consider reappointment and it appears certain he will leave office not later than July 11, when his term expires. Apparently the best qualified man for the job who has been mentioned is J. F. Holland, formerly chief deputy, who now has a lucrative private law practice in St. Louis. He made an excellent record in the department, is

### New Sales Spring from Armistice Day Storm

The Armistice Day storm throughout the middle west has already resulted in sale of new extended cover contracts and it is anticipated that the effect will be felt for some time. Although a very large proportion of the policyholders throughout the territory do already carry the endorsement, the possibilities are by no means exhausted. The middle western storm was so severe and of such widespread occurrence that it brought home to thousands of persons the menace of the windstorm hazard. Moreover the payment of thousands of claims gives the insurance companies a lot of word of mouth advertising and causes those who are not insured against windstorm to be in a receptive mood when approached or even to purchase the insurance voluntarily.

It is estimated that from 75 to 80 percent of the windstorm insurance that is in effect in the middle west other than on farm properties, is in connection with the extended coverage contract.

### Bottleneck Condition Creates U. & O. Problem

NEW YORK—Virtually all of the 250 tool manufacturing plants in the United States are driving to meet the requirements of the government's defense program, with the result that orders for replacement of machinery destroyed by fire or through other cause requires months longer than under normal conditions. For instance, a large firm in the middlewest finds that its order for an essential part of a large, complicated stamping press can not be filled before the end of 1941.

This situation has a pronounced bearing upon use and occupancy and companies writing the line, have stepped up their loss expectancy anywhere from 25 to 33½ percent and are giving close attention to this feature in their underwriting. Some, indeed, are advocating a rate increase.

widely known throughout the state, and is a former newspaper reporter as well as an attorney.

Read "Fidelity & Surety Bonding" by G. R. Wentz. 400 pages. Price \$2. Order from National Underwriter.

### Virginia F. & M. and Excelsior Form Alliance

The acquisition of a substantial minority stock interest in Excelsior of Syracuse by Virginia Fire & Marine was made known in Richmond by William H. Palmer, Jr., chairman of the Virginia company.

William B. Miller, former assistant secretary of Great American recently was elected president of Virginia F. & M.

Most of the directors of Excelsior are local agents. The natural field of this company is in the north. President Robert C. Hosmer has had a broad experience in the business.

The major operations of both companies will be in their respective fields, but it is expected that they will be able to exchange information, service and reinsurance to the benefit of both.

The purchase of this stock by Virginia F. & M. will in no way change the method of operation of Excelsior. It will continue to be directed by agents.

The officers of both companies cooperated in this acquisition. Through a friendly alliance in the territory in which each has more or less concentrated, it is expected that there will be an increase in premium income for both companies.

Mr. Miller, upon leaving New York for Richmond to take over his new duties, was feted at two luncheons, one given by employees in the New York local department of Great American and the other by company officials. He was presented with a cocktail shaker and a traveling bag.

J. H. Martin, assistant manager Standard Forms Bureau, San Francisco, will be Santa Claus at the Christmas dinner of the San Francisco Insurance Women's League, Dec. 14.

Arthur Roche of the insurance department of the Automobile Club of Southern California, a lieutenant colonel in the reserves, has been called to service. He is stationed for the present in Los Angeles.

W. O. Hildebrand, secretary-manager Michigan Association of Insurance Agents, will head the public safety division at the Michigan State-Wide Safety Conference May 20-22, 1941.



## HOLC Contract Is Given Airing

(CONTINUED FROM PAGE 5)

mitted this to the commissioners, a majority turning it down.

The Stock Company Association, he said, offered 25 percent to the HOLC in consideration of its fire prevention service. If this prevailed, then the mutuals, he said, would desire to make the same kind of proposal to similar organizations if the commissioners decided it was a desirable procedure. The American Mutual Alliance filed with the HOLC a statement declaring that the dwelling house owner should be allowed to choose his own agent or company and he should not be obligated to sign a tax and insurance agreement which many did not understand. The American Mutual Alliance, he said, is not opposing the SCA contract, it is simply seeking information so that if the contract is valid, the mutual companies could enter a similar field.

The Farm Security Administration, he said, had sent out bids for insurance on properties in which it is interested, asking for a schedule of reductions it would be granted. The HOLC, he added, asked for similar bids and he said that it certainly was looking for a concession.

If the states accept this contract, Mr. Gruhn said, the mutuals can act accordingly. He acknowledged that one effect of a rejection might lead to the HOLC becoming a self insurer. If the HOLC attempts anything of this kind, he assured all hands that the mutuals would join the stock people to defeat the project. He expressed the opinion that the HOLC did not have the right or authority to establish an insurance fund. He said in closing, "We will do our very best to retain private enterprise."

### Statement of Ignatius

M. B. Ignatius, well known New York attorney, retained by the Stock Company Association, said that under the contract all owners have the right to place their insurance with any agent or company. If no expression is given, then the agent on the expiring policy is recognized. He denied that there was any effort made to conceal anything in making the contract. It was not new, he added. It originated in 1935 and the mutuals and stocks had similar contracts. The 1940 contract, he said, is merely a restatement and revision of the old contract. He asserted that the HOLC is not organized under any state charter. It was organized by the Federal Home Loan Bank, to which congress gave authority to organize subsidiaries. It is an instrumentality of the U. S. government and is entitled to immunities in its own right. Mr. Ignatius declared it cannot be charged with improper methods. He referred to the rebate charge, and declared that the contract is formed without the slightest design of rebating. It was not offered nor accepted as an inducement to benefit. Charge of rebating, he said, cannot properly lie against the government nor the SCA. It is not right, he said, to feel that the two parties resorted to any subterfuge. Neither can it be assumed that the services for which the 25 percent was paid constituted a cloak or subterfuge. He regards the services as very valuable and important.

For instance the HOLC makes an appraisal of all the properties carefully and keeps them up to date. This data is most useful in case of a loss. Premiums due are paid at once and hence there is no credit risk. There is no difficulty in collecting and transmitting premiums. All risks are thus avoided.

### Not Wholesaling Proposition

Mr. Ignatius referred to the charge that the payment was due to the wholesale scope of the business. There is no element of wholesaling in the proposition, he said.

He declared that there is no indica-

tion that this allowance is a contribution through a back door to allowing a discount because of the premium volume. Not all properties in which the HOLC is interested come under this contract. For instance, there is no insurance through the SCA on buildings where HOLC has foreclosed and ownership is held by it. Mr. Ignatius said that it is highly important that insurance should meet these demands in an emergency. He said that the SCA is not trying to hide under the aegis of the government.

The federal government had experi-

mental plans in mind for insuring these properties. The SCA, he said, had done much to aid the insurance business as a whole. He said that this action had maintained the integrity of state supervision. The SCA has done its utmost to prevent the escape of a large number of properties from state supervision, regulation and taxation.

### Cites Original Articles

Mr. Gruhn, in reply, said that original articles printed which he regarded as official gave no indication of the 25 percent contribution. HOLC representa-

tives, however, did say they expected some benefits and they further declared they might set up a self insurance fund. Nothing, he said, had been stated in the bid about fire prevention service or whether the HOLC was equipped to render this service.

Sims said that it is the duty of the HOLC to get the very best bargain it could. He said that it is not correct to say that a government official can do no wrong. If there is a violation of the law, they should be convicted as well as any private individual. If the HOLC

(CONTINUED ON PAGE 23)



### Season's Greetings



The London Assurance

The Manhattan  
Fire & Marine

The Union Fire  
Accident & General

PHOTO BY GENDREAU

## Pertinent Suggestions to Young Insurance People

G. W. Funk of Chicago, superintendent of agents of the Great American, gave a talk before the Chicago Insurance Examiners Association, pointing out the opportunities for the up and coming young men in the business who are ambitious and willing to work. He has had an extended experience in insurance work and gave some of his observations as to conditions as he sees them today in fire underwriting. He is



G. W. FUNK

not a man who pins his faith on the past and thinks that everything today is out of plumb. People must take cognizance of the changes and he contended it is a vicious business to look backward unless one's feet are set steadfastly on the forward road. Mr. Funk said it has been the prerogative of a father in every generation to feel that his own youth was of sterner stuff than today's softer influences provide for the young.

### Not Much Progress Seen

The young folks of today in the insurance business as well as in other lines made their advent when all enterprises were suffering from a severe loss of volume and income. Reductions in personnel were necessary. Promotions during the past 10 years in fire insurance have been few and wage increases, if any, have been slow. The premium volume has not increased to any appreciable extent due to many contributing factors, both within and without the business. Insurance and industrial leaders have been mulling around during the past seven or eight years seeking ways and means to restore production and increase trade but aside from the present activity in certain industries supplying war material not much progress has been made. A year ago another curtain of darkness settled on the world. Principles were being challenged in the fundamentals not by theorists but by great powers supported by great armies. The influence of Great Britain has been a firm base in the markets of the world and finance, industry, and trade could not escape the radiation of ruin from a collapse of the main foundations of the world's commerce. Trade in this country which is sensitive to war conditions will evidently respond to the collapse of free enterprise in Europe. Speaking further Mr. Funk said:

### Way Is Lighted

"Through the blessings of political freedom we have developed ingenuity and resourcefulness and however dark may become the path to the future it should be lighted for us by a great and notable army of scientists, engineers and inventors. Their achievements brought prosperity to this country in

the past and I am confident that whatever the consequences of the European war may be, our future progress and prosperity will come from the discovery of new materials, new processes and new uses for old products with which to further enrich the lives of men."

"The function of insurance is to furnish a dependable security against financial loss, and its service extends to almost every avenue of human activity. The variety and scope of protection provided by our coverages is today the greatest in the history of the business.

### Responsive to Changing Needs

"Progress at times may have been slow but the development of broadened and new forms of coverage is evidence that insurance companies have been conscious and responsive to the changing needs of the insuring public. It is not the function of fire insurance to lead into new fields or to open new avenues of endeavor. Its job is to furnish dependable security against financial loss

(CONTINUED ON PAGE 24)

## Country Elevator Hazards Topic at Fire Group Meeting

A means of eliminating fire and dust explosion in the country elevator was the main subject discussed by the committee on dust explosion hazards of the National Fire Association at the Stevens hotel, Chicago, on Monday. Country elevators, limited to a 125,000 bushel maximum, as defined by the committee, do not have the same protection afforded the terminal elevators in larger sections, and the committee studied the question of recommending precautions that are economically feasible to be brought up at the national convention in May.

"Suggested Good Practice Requirements for the Application of Suction or Venting for the Control of Dust in Grain Elevators" was the other important subject handled by the committee, which was presided over by Dr. David J. Price, U. S. Department of Agriculture, and a vice-president of the National Fire Association.

Progress in the control of eliminating dust from grain elevators has been retarded by the terminal operators, who

oppose removing the dust, as this affects the weights, and someone, usually the operator, must bear the loss. Fires and explosions are largely due to a small percentage of dust, which, if removed, would cut down great fire losses.

Research shows that there are only 17 pounds of dust in 30,000 bushels of grain, and the problem confronting the committee is to work out a satisfactory system whereby dust could be removed without losing any grain. This, of course, would require the employment of careful operators.

Captain L. C. Webster, Northwest Country Elevator Association, Minneapolis, was the chairman of the subcommittee on country elevators. Insurance men participating in the day's discussions included W. J. Fairbairn, Western Factory; A. H. Nuckolls, Underwriters Laboratories; K. H. Parker, Western Actuarial Bureau, all of Chicago, and Eugene Arms, Association of Mill and Elevator Mutuals.

### Farm Fire Committee

The farm fire protection committee of the National Fire Association met Tuesday to discuss rural electrification and the mobilizing of rural volunteer fire departments for national defense. This session was also led by Dr. Price.

The committee, after careful consid-

(CONTINUED ON PAGE 12)

## ELEMENTARY MY DEAR WATSON

...but rather unusual



Finding prospects for sales is a matter of simple deduction. First we advertise nationally—reaching 2,000,000 persons each month. This advertising brings in thousands of inquiries—which are passed along to our agents. Our agents develop these inquiries into likely prospects with the help of our coordinated direct mail material. And finally these prospects are sold policies by sales methods suggested in our monthly house organ *The Employers' Pioneer*.

### Can You Solve This Mystery

How to get more business is a mystery that every agent wants to solve. Yet if you read our magazine "The Employers' Pioneer" you'll find articles loaded with valuable clues. Get a free copy now. Simply write to the Publicity Department.

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THE EMPLOYERS' FIRE INSURANCE CO. — AMERICAN EMPLOYERS' INSURANCE CO.



## Coordinate Work of Insurance in Aiding Defense

### Form Working Committee Representing All Branches of Business

NEW YORK—In furtherance of the program for national preparedness by fire and casualty companies, in the interest of safeguarding American industry, a meeting of the insurance committee for the protection of American industrial plants and a special committee of the National Board was held here.

Decisions were made to assure coordination of the efforts of all insurance interests, and it was determined to send a letter to managers of all inspection and rating organizations. These letters have gone out over the signatures of W. Ross McCain, chairman committee on defense National Board and Harold V. Smith, chairman insurance committee for protection of American industrial plants.

#### Working Committee

The working committee is composed of a representative of American Mutual Alliance, Factory Mutuals, Association of Casualty & Surety Executives, Factory Insurance Associations, National Association of Mutual Casualty Companies and National Board.

This working committee will establish headquarters in Washington, and it will be augmented by an engineering staff from these mentioned organizations and whatever clerical staff is necessary.

One of the first objectives of the committee will be to determine the scope of the work to be undertaken by each organization and methods to be employed. The heads of inspection organizations are requested to prepare a list of engineers and inspectors of loyalty, and ability who will be available to the committee. Requests will be made of inspection bureaus for reports on various plants, with particular attention to safeguards for prevention of fire and explosion.

The expenses of the operating committee, and of such inspectors and engineers as are requested, shall be borne by the organizations with which they are presently connected, unless this financing method later on proves to be inequitable.

The insurance committee was represented by S. Bruce Black, president Liberty Mutual; John R. Cooney, president Firemen's; Vincent Cullen, presi-

dent National Surety; Bernard M. Culver, president America Fore; Fred A. Rye, manager Improved Risk Mutuals; Hovey T. Freeman, president Manufacturers Mutual Fire; Vice-president James T. Haviland of the Kemper companies; F. W. Koeckert, U. S. manager Commercial Union; George C. Long, Jr., president Phoenix of Hartford; Manager James F. Crafts, Fireman's Fund; John O. Platt, president North America; Jesse W. Randall, vice-president Travelers Indemnity; Vice-president Wilson C. Jansen, Hartford Accident, and Harold V. Smith, chairman.

The special committee of the National Board was composed of W. Ross Mc-

Cain, president Aetna Fire; Otho E. Lane, president Fire Association; James Haines, U. S. manager London Guarantee; Robert P. Barbour, U. S. manager Northern Assurance, and James Wyper, vice-president Hartford Fire.

#### Haid and Mallalieu Attend

The meeting was also attended by Paul Haid, president Insurance Executives Association, and W. E. Mallalieu, general manager National Board.

The National Board has already formed a bureau at Washington to assist the quartermaster general of the Army, and the Bureau of Yards & Docks of the Navy in the protection of

cantonments and other government owned properties.

#### Willis Forms General Agency

W. P. Willis of Atlanta has resigned as special agent for America Fore to open a general agency in the Trust Company of Georgia building, representing Albany and Commonwealth.

Louis H. Zacher, father of President L. E. Zacher of Travelers, died at his home in Hartford. He had been a lithographer and had been associated with Bingham & Dodd and the National Folding Box Co. at New Haven.

## ☆☆ ROOTED DEEP in our American Life ☆



REMEMBER Bull Run! Shiloh! Vicksburg! Harper's Ferry! Gettysburg! Richmond! And finally April 9, 1865, when the

Civil War ended at Appomattox! Well, just two months before Appomattox Millers National commenced operations on February 15, 1865.

In 1869, four years after the Company's establishment, the golden spike was driven at Promontory, Utah, completing the first transcontinental railroad of our fast-growing nation.

During that centennial year, 1876, commemorating the signing of the Declaration of Independence, Millers National's companion company, the Illinois Fire Insurance Company was founded.

The Millers National already was 28 years old when Thomas A. Edison, in 1893, gave the first practical demonstration of a motion picture machine at Chicago's Columbian Exposition.

Five years later, those stirring events of the Spanish-American War—The Maine, San Juan Hill, and Col. Teddy Roosevelt, the Rough Rider! By then the Millers National was a seasoned company a third of a century old.

In 1903, when the Company was 38 years old, newspapers carried the headline, "Man Conquers the Air," and off the sands of Kittyhawk the Wright brothers completed their first successful airplane flight.

And in 1907, when Lieut. Col. George W. Goethals took charge of construction of the Panama Canal, the Millers National already had been in business for 42 years.

Progress, creations, inventions that changed the very face of the globe. Years of growth. From seeds planted in 1865 the roots of Millers National Insurance Company sink deep in our American life.

### WILL BUY LOCAL AGENCY

Field man who has traveled in a number of states desires to purchase a local agency, preferably in the central west, whose commissions are not less than \$7,500. Is amply able to make immediate purchase and take charge at any time. Can furnish the best references. Address M-52, The National Underwriter, 175 West Jackson Blvd., Chicago, Ill.

#### POSITION WANTED

##### FIRE INSURANCE ENGINEER

15 yrs. experience Dean Schedule with responsible connections rating Bureaus and large Agency. Familiar also with other lines and general underwriting. Address M-54, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

**MILLERS NATIONAL Insurance Co.**  
Home Office: CHICAGO Established 1865

**ILLINOIS FIRE Insurance Co.**  
Home Office: CHICAGO Established 1876

Service Headquarters for Alert Agents

## AS SEEN FROM CHICAGO

### ERNEST PALMER, JR., IN NEW WORK

Ernest Palmer, Jr., whose father until recently was insurance director of Illinois, has entered the law firm of Russell & Bridewell, 2017 Field building, Chicago, and the name of the firm is changed to Russell, Bridewell & Palmer.

Mr. Palmer for the past several months has been in the claim department of Car & General in Chicago. For one year he was connected with the Illinois industrial commission and he was with the Illinois insurance department a year during the period when the new insurance code was under consideration. He graduated from Northwestern University law school and was admitted to the bar this fall. His undergraduate work was at Stanford and Amherst.

Horace Russell of the firm has been located in Chicago for the past two or three years as general counsel for the United States Savings & Loan League. He was formerly in Atlanta and then became general counsel for the Home Owners Loan Corporation and Federal Home Loan Bank Board. He was instrumental in organizing Southern Fire & Marine and Southern Life of Atlanta and was vice-president and general counsel of those companies. He is now vice-president and general counsel of Traders Mutual of Chicago, a fire company that is located in the office of Central Life of Illinois.

David Bridewell of the firm was Mr. Russell's assistant in Washington.

### HITKE TAKES MARINE COMPANY

Kurt Hitke & Co., Chicago agency, has been appointed general agent in Chicago and vicinity by the National Surety Marine. This office heretofore has done mainly an automobile, taxi and truck insurance business. Mr. Hitke plans in the near future to take on fire, casualty and surety representation as a part of his program to develop the general lines.

### JOINS JACOBS AGENCY

Baron G. Rehm, formerly identified with insurance operations of one of Chicago's financial institutions, has joined the William F. Jacobs & Co. agency in Chicago.

### WESTERN ADJUSTMENT MOVE

Western Adjustment is opening an entirely separate and distinct Cook county office, at 2020-2021 Insurance Exchange, in quarters formerly occupied by the Rollo, Webster agency, and expects to move this week-end. The Cook county branch is in charge of Manager R. M. Beatty. This move is designed for the improvement of service and enlargement of adjusting facilities in Cook county and to avoid confusion with the head office operation.

While no formal opening is planned, Mr. Beatty and his staff will be glad to receive visitors Tuesday, Dec. 10.

The Western also maintains branch offices in Cook county at 4753 Broadway, George F. Knapp, adjuster in charge, and at 841 East 63rd street, Chas. C. Cate, adjuster in charge. These offices operate under the supervision of Manager Beatty.

The telephone number of the home office and the downtown Cook county office has been changed to WABash 6400.

### INSURANCE CLUB FEATURES PLAY

On Dec. 10, in the Chicago Board auditorium, the Insurance Club of Chicago will present a play, "It Does Happen Here," a visual demonstration of use and occupancy, which ran in the November issue of "Rough Notes," written by W. F. Kuffel, Chicago local office, Phoenix of Hartford. The play, which has been given before selected groups around Chicago, will be directed by Mr. Kuffel. The cast includes, besides Mr. Kuffel, G. E. Gaus, Miss Louise Hake, E. F. Walther,

Clarence Low, Roy Downing, Charles Ahlswede, J. Kwech, William Hegman, Lawrence Neff, W. B. Sibley, D. A. Bickheart, J. P. Quinn and Ralph Larson.

### FIELD CLUB CHRISTMAS PARTY

The annual Christmas party of the Cook County Field Club will be held Dec. 13 in the Germania Club, Chicago. All special agents and office associates are invited, J. F. Foehringer, president, announced. There will be a stage show.

## COMPANIES

### Mulvehill Is President of the American Reserve

American Reserve of New York has elected E. L. Mulvehill as president. He succeeds the late Thomas B. Boss. R. H. Long, secretary, was elected vice-president.

Mr. Mulvehill has been serving as vice-president, having been connected with the company since 1930 when it merged with Reinsurance Corporation of which he was vice-president. He is a director of the Lincoln Fire and Globe Underwriters Exchange and vice-president, treasurer and director of American-Phenix. Mr. Long will continue as secretary holding that office as well as vice-president.

### Ratchford and Dyer Are Advanced by Reinsurers

C. A. Nottingham, president of Prudential of Great Britain and of Hudson, announces the appointment of John Dyer as secretary and J. J. Ratchford as treasurer of these companies. Mr. Dyer is chief clerk, having been in the companies' employ since 1922, and J. J. Ratchford is in charge of the facultative reinsurance department, having entered the companies' service in 1930.

### Ohio Licenses Church Properties

COLUMBUS, O.—The Ohio department has announced that it will license the Church Properties Fire, which has promised to operate in strict conformity with Ohio insurance laws. The Ohio Association of Insurance Agents had opposed the granting of the license. The

department holds that the relations between Ira Harris, Inc., New York general agent and the company do not meet the requirements of the Ohio law, and the Harris organization, the department rules, must not have anything to do with insurance written by the company on property situated in Ohio.

### Order O'Malley to Refund \$85,264

KANSAS CITY — Circuit Judge Southern has ordered former Superintendent O'Malley and his bondsmen to turn over \$85,264 to the state by Dec. 14, on the ground that O'Malley had approved exorbitant fees and expenses dur-

ing the liquidation of the Manufacturing Lumbermen's Underwriters of Kansas City. O'Malley was bonded by the Central Surety for \$100,000.

His final report showed \$128,912 expended during liquidation. The court held \$43,648 was "reasonably and properly" expended, and that fees and expenses of \$85,264 were "expended in violation of law, were not beneficial to the company, and, being made without court order, constituted an abuse of authority."

The New England Fire has appointed Aronovich & Leipsic general agents in Manitoba.

### Fire, Tornado, Automobile Insurance

**THE LONDON & LANCASHIRE INSURANCE COMPANY, LTD.**

**ORIENT INSURANCE COMPANY**

**LAW UNION & ROCK INSURANCE COMPANY, LTD.**

**SAFEGUARD INSURANCE COMPANY**

**ENGLISH AMERICAN UNDERWRITERS AGENCY**

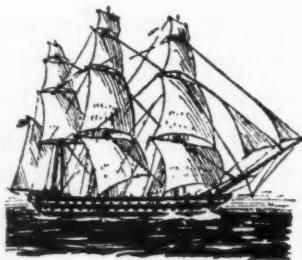
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1940

**THE CALEDONIAN INSURANCE COMPANY**  
UNITED STATES OFFICE: HARTFORD, CONN.  
ROBT. R. CLARK, UNITED STATES MANAGER  
**S. D. McCOMB & COMPANY, INCORPORATED**  
116 JOHN STREET, NEW YORK  
UNITED STATES MARINE MANAGERS



## Policies on Real Estate Important

### Falls Tells N. J. Brokers They View Too Lightly the Proper Kinds of Insurance

ATLANTIC CITY—In many real estate transactions, the insurance policies, needed for the protection of the interests of the buyer and the seller, are as important as any papers—as important as the deed itself or the contract of sale—but insurance policies can be obtained without the appointment of an attorney, and too often, the parties concerned, particularly the real estate brokers, view lightly the importance of correct preparation of these insurance policies, said L. E. Falls, vice-president American of Newark. He was speaking before the annual meeting of the New Jersey Association of Real Estate Boards here.

They view too lightly their responsibility to see that the proper kinds of insurance are arranged and fixed under contracts drawn with particular care to fit the exact circumstances of the case at hand. Some of them are insurance agents as well as dealers in real estate. Their franchises as insurance agents give them increased opportunities for service to their clients, and for increased income through insurance commissions. But this opportunity and this franchise places upon them an increased responsibility, which they can discharge only by educating themselves to the proper conduct in an insurance agency.

Some may think that unimproved real estate presents no hazards against which its owner should be protected by insurance. But the owner of a vacant lot in a residential area in a middle western city piled some bricks and other building material on his own land against the time when he would need them elsewhere. Children of the neighborhood played on the brick pile, and one of them fell and was badly hurt. The court, in fixing liability upon the lot owner, based its decision upon the well-known responsibility of one who maintains an attractive nuisance. An owners' landlords' and tenants' liability policy in that case, Mr. Falls said, should have been arranged by the real estate dealer who sold the land.

No good physician diagnoses ailments in his patients upon oral reports from a layman, Mr. Falls warned, and no insurance agents can tell what kinds of insurance protection are needed by his customers without making an inspection and a careful analysis of the property to be insured and of the business activities of the assured out of which accidents might arise from insurable perils.

For some psychological reason, many people feel more strongly a need for insurance protection of their continuing interest in property when they sell on

time payment than upon those things which they own outright. For quite a practical reason, which is understandable, a wholesaler, or a manufacturer, or a vendor of real property is unwilling to send his merchandise into the hands and keeping of another or to transfer his real estate, with its improvements, to tenancy over which he has little, if any, control, unless the hazards to which that property is constantly subject, are protected by adequate insurance. To some extent the seller looks to insurance companies to become the ubiquitous policemen and guardians of his property which is beyond his control until he ceases to have a financial interest in it.

### E. J. Ziener Assistant Ill. Insurance Director

E. J. Ziener, real estate man and local insurance agent of Rockford, Ill., who has been active politically, has been appointed assistant insurance director of Illinois, taking the place of Roy L. Davis, who resigned to join the Association of Casualty & Surety Executives. Mr. Ziener, of course, will hold office only for the remainder of Governor Stelle's term, to Jan. 13. Mr. Ziener for the past few years has been acting as bank receiver and receiver for real estate properties in his community. He represents American of Newark, Continental, American Surety, Bankers Indemnity and National Casualty. He was connected with the insurance department as an investigator several years ago.

Ziener was in the Illinois department license bureau from 1933 to 1936.

### Gibbs Executive Secretary of Brokers Exchange

SAN FRANCISCO—Charles E. Gibbs has been appointed executive secretary of the Insurance Brokers Exchange of San Francisco succeeding the late Hugo Meyer. E. Pym Jones is president. Mr. Gibbs, a native of Alameda, Cal., has been prominent for years in San Francisco and northern California in public relations work with banking and trust organizations. He was associated in Sacramento and San Francisco with the Anglo-California Trust Company security department and more recently has been an independent wholesaler of securities. He assumes the duties immediately which have been carried on since Mr. Meyer's death by J. H. Voorsanger, editor of the official publication of the exchange.

### Byron Watson in Chicago

Byron Watson, chairman of the Rhode Island, was in Chicago this week, conferring with Manager R. W. Tapper and the Chicago office of Alan H. Bonito & Co.

R. F. Metcalf, 32, of the Fire Companies Adjustment Bureau at Bangor, Me., died as a result of an auto accident.

## NEW YORK

### J. A. BLAINEY'S NEW POST

James A. Blainey, formerly in the insurance business, who has taken up hotel promotion work, has become head of the promotion department of the Hotel Taft, Seventh avenue and 50th street, New York City. Mr. Blainey will endeavor to make the Hotel Taft an insurance hostelry.

### PULBROOK AGAIN CHAIRMAN

E. R. Pulbrook has been reelected chairman of the committee of Lloyds and H. G. Chester was reelected vice-chairman.

### ALFRED J. O'BRIEN ADVANCED

Alfred J. O'Brien, formerly head of the schedule rating department of Automobile, has been appointed manager of the New York City local and suburban

fire department. He has been with Automobile 20 years.

### FORUM CLUB HEARS TEBBETTS

S. W. Tebbetts, special agent of Continental, addressed the Forum Club of the Insurance Society of New York Monday on "General Cover Contracts and Reporting Forms."

### WANTS PROBE IN NEW YORK

The insurance committee of the management division of the Real Estate Board of New York has recommended that a survey be conducted on New York buildings with respect to fire insurance problems and rates. The recommendation was made following a preliminary investigation.

Frank A. Christensen, vice-president America Fore, and Secretary F. E. O'Brien of the Fidelity & Casualty, are visiting in Los Angeles.

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## INDIANA INSURANCE COMPANY

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Writing

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### FIRE and WINDSTORM

Combined coverage, equal or unequal  
amounts, in one policy.  
Excellent reinsurance facilities.

### INLAND MARINE

and All Risk Floaters

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HAROLD H. WELLS  
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JOHN P. KEISER

HOW about  
an agency  
contract  
with a Com-  
pany that  
will help an  
agent when  
help is  
needed?

## NEWS OF FIELD MEN

### Phoenix Makes Many Coast Shifts

SAN FRANCISCO — Reorganization of the field staff of the Phoenix of Hartford group, made necessary by the establishment of the separate Pacific Coast department, has been announced by Manager Frank C. Beazley.

Clyde A. Blanchard, formerly with the Fire Association in Los Angeles, has been appointed special agent of the Phoenix group for southern California and Arizona. Donald E. Walker, formerly with the National of Hartford at Los Angeles, will cover southern California. Both will be under the supervision of Assistant Manager Paul Wilson with headquarters in the Los Angeles branch office.

A. N. Potter, Jr., who has been in local agency and brokerage work in Seattle, is appointed special agent for Oregon with headquarters in Portland. He succeeds Lieut. Col. G. L. Dutton, who has been called into army service.

D. V. Iler, in the Pacific Coast department in San Francisco for 11 years, is transferred to Salt Lake City and will cover Utah, succeeding M. A. Jackson.

C. H. Zacher has been appointed special agent covering the Sacramento valley and the coast north of San Francisco with headquarters in Sacramento. He was formerly with the Royal-Liverpool groups. E. W. Anderson, until recently with the Commercial Union group, will succeed Col. J. B. Hatcher in the coast territory south of San Francisco while C. B. Mayo will succeed W. H. Maloy as special agent covering western Washington with headquarters in Seattle. Mr. Mayo was formerly with a Seattle general agency.

### Rudy Gets Richmond in Ind.; Hubbell with State

O. H. Rudy has resigned as Indiana state agent of the State of Pennsylvania to become general agent for Indiana of the Richmond of New York, effective Jan. 1. Mr. Rudy is again becoming associated with Fred M. Gund, western manager of the Crum & Forster group, of which the Richmond is a member, after 34 years. His first field job was with the German of Freeport, of which Mr. Gund was then secretary.

Mr. Rudy had been with the State of Pennsylvania 29 years and before that for a short time was special agent of the old German of Indiana. His father, the late D. A. Rudy, had been state agent of the German and represented it in San Francisco in settling the earthquake-conflagration losses there in 1906. Mr. Rudy, Sr., was president of the Indianapolis Fire when it reinsured. Mr. Rudy will continue to make his office at 309 Pennway building in Indianapolis. About a week ago he underwent an emergency operation for appendicitis and is making good recovery. He expects to leave the hospital in a few days.

R. M. Hubbell is succeeding Mr. Rudy as state agent of the State of Pennsylvania for Indiana. He resigned as special agent of the Great American in Indiana to take this position. Mr. Hubbell is a son of J. G. Hubbell, president of the National Inspection Company of Chicago, and had his first field experience as an inspector for that company in Ohio. His connection with the State of Pennsylvania dates from Dec. 1.

### New Hampshire Now Has Two Men in Ohio Field

New Hampshire Fire has now arranged for a second field man in Ohio and the state is divided into two jurisdictions, north and south. H. S. Kirkham, who has been in the Ohio field for 13 years, for the past eight years with Scottish Union, becomes state agent in

northern Ohio for New Hampshire. His headquarters are 600 Permanent Savings & Loan building, Akron. He resides at Medina, nearby. His experience in Ohio, before that with Scottish Union, was with Great American. Before that he was connected with the Illinois Inspection Bureau four years.

State Agent Elmer F. Carnes remains in Columbus and is responsible for the southern Ohio field.

### Dunn Heads Penn Pond

PHILADELPHIA — Robert Dunn, assistant manager of the Philadelphia downtown office of North America, was elected most loyal gander of the Penn pond of the Blue Goose at the annual meeting. He succeeds W. R. Lewis, Franklin. The new supervisor is Horace C. Wiedenmann, Royal; Robert F. Goodhue, Philadelphia Fire Underwriters Association, becomes custodian taking the place left vacant by Gilbert B. Mattson, who is now on active duty with the marines; John H. Keelan, Viking Sprinkler Corporation, is guardian, and William Thorpe of Knowlan, Thorpe & Co., is welder. He takes the place of his partner, Joseph R. Knowlan, past most loyal grand gander of the Blue Goose, who is also serving in the marine corps. Walter B. Albertson was re-elected keeper.

The new administration was inducted into office by Paul M. Fell, past most loyal gander.

### Springfield's Va. Appointments

The Springfield group has appointed Special Agent F. H. Spencer as state agent for Virginia. W. L. Harris is appointed special agent, associated with Mr. Spencer in supervision of the state.

Mr. Spencer started with the Springfield at the head office in 1911. In 1914 he was appointed special agent for North and South Carolina, and in 1921 was transferred to Virginia as special agent. Mr. Harris is a native of Virginia and attended the University of Virginia. His first insurance connection was in 1936 with Hansbrough & Carter, local agents at Winchester, Va. The last few months he has been at the head office of the Springfield.

### Form New West Texas Puddle

Thirteen new and four reinstated members form the new West Texas puddle of the Blue Goose, organized at Abilene. C. L. Beale, Yorkshire, Dallas, most loyal gander of the Texas pond, headed the Dallas delegation which assisted in the organization meeting.

Officers elected at the organization meeting will be installed at the first regular meeting at Lubbock Jan. 7. They are: Big toad, R. B. Kimbley, Abilene, manager Fire Companies Adjustment Bureau; croaker, J. F. Downs, Abilene, Commercial Union; pollywog, F. C. Benham, Lubbock, Fire Companies Adjustment Bureau; bouncer, A. R. Granberg, Amarillo, Springfield Fire & Marine state agent in northwest Texas.

### Appointments in Havana

The American of Newark has appointed Jacinto Pedrosa and V. M. Pedrosa of Havana as general agents for the Republic of Cuba. Cuban risks may be bound at the metropolitan and suburban department, 90 John street, New York. Jacinto Pedrosa has conducted his general agency for the last 26 years. Victor, his son, who joined the firm two years ago, is visiting in this country.

### Lisy Fills Thomas Vacancy

J. S. Lisy, Jr., has been appointed state agent in eastern Missouri for National Liberty, Baltimore American and Gibraltar, in succession to the late Earl W. Thomas. For the past six years he has been traveling the Ohio field for Home, prior to which he was

Cleveland manager of National Liberty. Before that he was chief clerk in the Cleveland office of the Ohio Audit Bureau.

Mr. Lisy's successor in Ohio is S. E. Duley, for a number of years an adjuster for Home in the state. Earlier he was an examiner at the head office.

### Illinois Field Is Rearranged

Western Fire and Western Casualty & Surety of Fort Scott, Kan., have effected a new arrangement in the supervision of the Illinois territory.

H. A. Petersohn, who was formerly located in Chicago, but for the past several months has been conducting special survey field work in Missouri and Kansas, will handle the eastern Illinois territory with headquarters in Chicago. George Erickson, who is located at Davenport, Ia., will look after the western part of Illinois as well as the river towns of Iowa.

### Fire Association Names Farrell

Ralph J. Farrell has been appointed special agent of the Fire Association for southern California, with headquarters in Los Angeles, to succeed Clyde A. Blanchard, resigned to take a similar position with the Phoenix of Hartford.

### Ill. Has 25 New Members

About 25 new members have been signed up for the Illinois Blue Goose and most of them will be on hand for the dinner and initiation at the La Salle Hotel, Chicago, Monday evening. Special recognition will be given at that time to the past most loyal ganders. Of the 19 living past most loyal ganders, 15 have expressed their intention to attend.

### Langhammer with Great American

Kenneth Langhammer, who has been with the Indiana Inspection Bureau since 1931, has joined Great American as special agent in southern Indiana assisting State Agent Buckingham. Mr. Langhammer has been with the inspection bureau since graduating from Armour Institute. He takes the place of Richard M. Hubbell, who has resigned to go with the State of Pa.

### Smoke & Cinder Club Party

PITTSBURGH—The Smoke & Cinder Club Christmas party will be held Dec. 16. The program will include dinner and entertainment. The committee in charge consists of E. A. Logue, State of Pennsylvania, chairman; G. W. Feller, North British; J. F. O'Connor, Employers Fire; Herbert Schaefer, Corroon & Reynolds, and H. B. Ellis, Hoover & Diggs.

### Alabama Semi-Annual Dec. 13

The Alabama Blue Goose will hold its semi-annual meeting Dec. 13 in Montgomery. Claude Boykin, Bankers Fire & Marine, is most loyal gander. E. B. Eady, Montgomery manager Fire Companies Adjustment Bureau, is chairman of the entertainment committee.

### Clark Succeeds J. W. Beck

L. H. Clark has been appointed state agent of the Northern of New York for the lower Michigan peninsula to succeed his former chief, the late J. W. Beck, under whom as special agent he traveled the territory for 10 years.

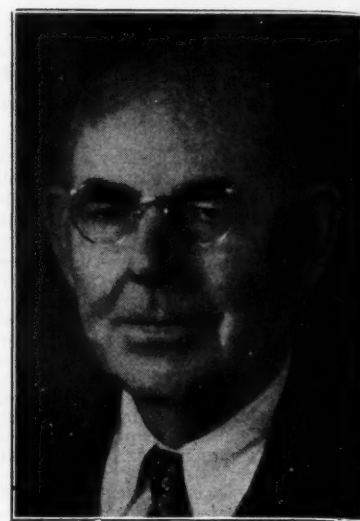
The upper peninsula is supervised by A. L. Telin, in addition to Wisconsin, for which he is state agent.

### Fretz Special Agent in Georgia

A. R. Fretz has been appointed special agent of the Firemen's group in Georgia. He is now located at 902 Adair avenue, N. E., Atlanta.

Van B. Higbee, Hartford Fire special agent, is confined to Wesley Hospital in Wichita with kidney stone trouble. He hopes to avoid an operation.

### Former Commissioner of South Dakota Is Dead



P. J. DUNN

P. J. Dunn, former South Dakota commissioner, died this week at Rochester, Minn., where he had gone for treatment. When Mr. Dunn left the commissioner's office, he became connected with Western Surety of Sioux Falls, going to Los Angeles as field supervisor. His health began to break and he went to Rochester a few weeks ago for treatment.

His daughter, who has been for some time in the movies, appeared in one of the Disney creations.

### Country Elevator Hazard Is Topic of Fire Group

(CONTINUED FROM PAGE 8)

eration on fire losses to date in 1940, expressed the opinion that losses on farm fires for the year will total approximately \$95,000,000, a reduction of \$5,000,000 from the estimate of 1939. Fire Marshal Horace Davis of Nebraska brought out the fact that on unprotected farm property the average loss was 82 percent of the value of the building as compared with five percent in the protected areas.

The discussion on precautions taken to minimize electrical hazards in the widespread electrification of the rural areas was led by L. M. Jenks, Rural Electrification Administration, Washington. It was agreed that inspection by state agencies was essential for state insulation.

### Rural Fire Departments

That rural volunteer fire departments would play a big part in national defense was discussed at length, and Chief J. W. Just, fire extension service University of Maryland, outlined a plan followed in his state, whereby all fire departments are coordinated in Maryland. An organization of this sort can be mobilized to extinguish fires of incendiary bombs and sabotage.

Insurance men taking part in these discussions were I. D. Goss, America Fore; Rush Carter, Aetna Fire; Harry Rogers and J. B. Taylor, Western Actuarial Bureau, and Curtis Welborn, secretary Underwriters Laboratories, all of Chicago; Earl Cooper and Earl Myer, both with National Association of Mutual Insurance Companies, Indianapolis; D. L. Thompson, Kentucky Actuarial Bureau, and Franklin Jesse, secretary Integrity Mutual.

The agricultural committee of the Fire Waste Council, a subsidiary of the U. S. Chamber of Commerce, met Wednesday under the leadership of Rush Carter. The fire marshals section is meeting for the annual mid-winter conference Thursday, with Fire Marshal Davis of Nebraska presiding.



## Seek to Prohibit Associations from Placing Business

AUSTIN, TEX.—Measures prohibiting agents' associations from writing insurance and a change in the fire rate basis are recommended to the Texas legislature, which convenes in January, by a special committee of the house which has concluded an investigation of more than a year's duration.

Recommendations include a 10-year instead of a five-year experience table for annual readjustments of fire insurance rates, increased appropriations for city and town surveys in determining key rates; that finance companies be prohibited from requiring purchasers to buy insurance from a certain source as a prerequisite to the loan.

The committee recommended that a "penal offense be defined and prescribed to prohibit any association of insurance agents legally authorized by the state to organize for the purpose of advancing the institution of insurance and its benefits, to directly or indirectly solicit, to write, to issue, or to record any policy of insurance and to collect the premium thereon and to retain the commissions thereon either for their own use or for distribution among the membership and that the personnel of the committee, exchange placement board, whatever title is used, be guilty of a misdemeanor on conviction in the proper court of this state. This practice is being done in practically every city in the state and is in direct violation of the agency laws as well as in violation of the general provisions of the federal and Texas anti-trust laws, as well as in direct violation of the charters under which they operate.

### Favor Further Investigations

"The committee recommends that the legislature, at reasonable intervals, authorize special legislative investigating committees to investigate insurance practices in Texas."

On the 10-year experience table recommendation, the committee said: "The fire rates should be adjusted annually on the basis of loss ratio, expense ratio and profit on the ratio of premiums to losses for the preceding 10-year period, taking into consideration that the present rate structure provides credits and penalties for individual incorporated cities and towns. The department of insurance should also be empowered to regulate the acquisition cost to insurance companies to such maximum cost as provided herein for arriving at rates as provided for and providing penalties for any such excess in order that the insuring public will be fully protected."

### Survey All Towns

Adequate appropriations for surveys of all cities and towns in Texas was urged so that a fair and just key rate might be had. A sufficient appropriation to enforce insurance laws was recommended.

The committee commended the insurance department and Fire Commissioner Hall, as well as former Casualty Commissioner Waters, for their intelligent administration. It explained it had not investigated the administration of Reuben Hall, Mr. Waters' successor, nor that of Walter C. Woodward, chairman of the board and life insurance commissioner.

Two of five members of the committee will be members of the next legislature while three will retire. Those returning will be DeWitt Kinard, Port Arthur, and J. M. Heflin, Houston. Those retiring are A. P. C. Petsch, Fredericksburg, chairman; Bryan Bradbury, Abilene, and R. M. Colquitt, Dallas.

### Get Piedmont for Georgia

Ledsinger-Ewing, Inc., newly organized Atlanta general agency, has been appointed general agent in Georgia for the Piedmont Fire, one of the Aetna Fire group.

## Briefs from Mid-year Commissioners Meeting

At the mid-year meeting of the National Association of Insurance Commissioners at the Hotel Pennsylvania, New York, Commissioner Blackall of Connecticut, the president, stated that there was a dentists convention in the same hotel. The commissioners were slow in arriving at the first session and he stated that perhaps they had looked at the chairs thinking they were for comfortable repose in the commissioners' convention and not realizing that they were dental chairs.

Managing Director W. M. Dewey of Edgewater Beach Hotel in Chicago was present, he being one of the most popular hotel managers with the insurance men throughout the country.

At the head table at the luncheon Monday which was given by the insurance interests of New York there sat Commissioner Blackall of Connecticut; Commissioner Williams of Mississippi, chairman executive committee; Read of Oklahoma, secretary of the organization; Superintendent Pink of New York; C. W. Hobbs, New York City, representing the commissioners in the National Council on Compensation Insurance; Al Butler of Corroon & Reynolds, chairman of the luncheon arrangements committee, who did a splendid job, and was given a big hand.

Commissioner Read, association secretary and chairman of the examinations committee, recommended that hereafter in the annual convention proceedings there be published the list of examinations called since the last meeting, giving the states participating. Heretofore, this has been sent out in pamphlet form.

Some prominent local agents attended the convention, among them W. Owen Wilson, Richmond, Va.; R. D. Watts, Beckley, W. Va.; C. A. Abrahamson and F. T. B. Martin of Omaha. A. J. Smith of New York, former member of the executive committee of the National Association of Insurance Agents, was present at the luncheon.

## Set Builders Risk Loss in Evanston at \$500,000

Loss is now estimated at about \$500,000 in the fire that attacked the Northwestern University Technological Institute that is under construction in Evanston, Ill. The insurance was written by the stock companies under a builders' risk form and the value at the time of the fire was about \$1,200,000. W. A. Alexander & Co., Chicago, is the agent on the line.

The exact value of the damage may not be known for some time, since it will be difficult to determine just how much of the steel and concrete work must be replaced. Spalling in the concrete was extensive. Experts will be employed to determine how much can be salvaged.

The fire apparently was started by a salamander which was in contact with wooden supports. The fire started an elevator collar which dropped down on straw spread over concrete during its curing and on tarpaulins. Cement floorings and steel supports buckled because of the intense heat. Nearly all of the wood scaffolding was destroyed as well as conduits laid for electrical work.

The building that was destroyed was the first unit being constructed by the \$6,000,000 gift of the Walter P. Murphy Foundation.

Western Adjustment is representing the companies in the loss.

## N. Y. Is Examining Tokio

NEW YORK—The New York department is examining the Tokio Marine & Fire with a view to releasing some of its free funds requested by the management.

## Providence Washington Extra

In addition to the regular dividend of 25 cents per share the Providence Washington will on Dec. 23 pay an extra 40 cents to stockholders of record Dec. 5.

## HOLC Decision in N. Y. Is Anxiously Awaited

NEW YORK—By request of the management of the Home Owners Loan Corporation, the conference scheduled to take place at the New York City office of the attorney general last Friday was postponed to a later but as yet undetermined date. Pending that meeting counsel for the HOLC promised to submit additional data, hoping to convince Attorney-general Bennett that the contract with the Stock Company Association does not constitute rebating.

The issue was studied on behalf of the attorney-general by Henry Epstein, solicitor general, while the position of the Stock Company Association from a legal standpoint is handled by E. I. Taylor, vice-president, Connecticut Indemnity and M. B. Ignatius, of Ignatius & Stone, attorneys.

Pending outcome of the proposed conference, Superintendent Pink agreed to suspend decision in the matter for "a reasonable time."

The attitude of the New York department on the HOLC-SCA deal is of first importance not alone from the fact that it involves a large amount of business but the likelihood that its action will influence that of 10 or more other states that have the matter under consideration.

## H. R. French Jailed in Tacoma Bridge Line Scandal

Hallett R. French of Seattle, former general agent for Merchants Fire of New York in the Pacific northwest, covering Washington, Oregon, northern Idaho and Montana, was arrested Tuesday on a charge of grand larceny. He had just resigned that connection. He is accused of issuing a policy for \$800,000 on the Tacoma Narrows bridge in Merchants Fire and retaining the premium personally. He is charged with having failed to notify Merchants Fire that it was on the risk. It is understood that French issued a small dwelling policy to account for the policy number.

The Merchants policy, it is understood, was originally in the amount of \$150,000, but was increased by endorsement to \$800,000. The premium that French collected is understood to have been \$5,600.

Some days before the arrest of French, it became generally known in insurance circles that Merchants Fire had not learned until four days after the collapse of the Tacoma bridge that it had a line on that structure. Then early this week it was announced that French had resigned as general agent for Merchants.

If the loss proves to be 25 percent, as now estimated, it will mean that Merchants Fire will have to pay \$200,000, assuming that the bridge insurers are liable in the final analysis. Because it had not been notified of the line, Merchants Fire, of course, had no opportunity to arrange specific reinsurance, but it will no doubt be partially protected under its catastrophe cover.

An Associated Press story states that French was arrested on a charge of embezzling \$70,000 in premiums from Merchants Fire, and French was quoted as saying "20,000 would come a lot closer." That would indicate that the bridge line may not have been the only case of its kind.

G. F. Warch, vice-president of Merchants, has been added to the committee adjusting the case, and is now attending its sessions in Tacoma.

## New Rochester Directors

ROCHESTER, N. Y.—At the annual election of the Underwriters Board of Rochester these new directors were chosen: Philip C. Goodwin, Harold A. Pye, Arthur J. Bamann, Thomas J. Tirenian, Mrs. Christine Mabry, Wellington Potter and Bert R. Hersberg.

## Insurance Teachers Program Given

### University Specialists Will Gather in Chicago Dec. 27 Many Topics Slated

With the exception of a dinner speaker the program for the annual meeting of the American Association of University Teachers of Insurance Dec. 27 at the Hotel Stevens, Chicago, is virtually complete.

The morning session will be panel discussion of the general or survey course in insurance. Dr. J. Anderson Fitzgerald, dean of the school of business administration, University of Texas, will be chairman. Others on the panel will be Prof. E. A. Gaumnitz, University of Wisconsin, Prof. Joseph Pilleon, Miami University, and Prof. Howard Berolzheimer, Northwestern University. A general discussion will follow.

### Topics for Business Meeting

Following the luncheon there will be a business meeting. The following topics will be among those dealt with:

1. How the S. S. Huebner Foundation for life insurance education may be used to strengthen college and university instruction in insurance.
2. Committee report on a plan which has been proposed to the Life Agency Officers Association for special training on a professional career basis of college graduates majoring in insurance.
3. Possibility of the American Association of University Teachers of Insurance taking the initiative in fostering professional standards of education in fire and casualty underwriting.

### State vs. Federal Supervision

The afternoon session will have Prof. P. W. Goble, college of law, University of Illinois, as chairman. Prof. H. C. Havighurst, Northwestern University law school, will read a paper on "State versus Federal Supervision of Insurance." Rollin M. Clark, vice-president Continental Casualty and former first deputy New York insurance department, will lead the discussion.

"Protection of American Policyholders under the Defense Program" will be the subject at the dinner meeting. The speaker will be announced shortly. The following day there will be a tour of the Underwriters Laboratories during which special tests will be demonstrated.

## Firemen's Marks 85th Anniversary

NEW YORK—More than 600 insurance men, financiers and prominent industrialists attended the informal luncheon at the head office of Firemen's Tuesday, marking the company's 85th anniversary. Guests were greeted by President John R. Cooney and other officers. Founded by 13 volunteer firemen in 1855, and deriving its title from that fact, Firemen's has long been one of the outstanding companies and today operates in every state, Canada, Alaska, Hawaii, the Philippines. Its assets are about \$34,000,000 and net surplus \$8,000,000.

Mr. Cooney assumed the presidency in 1934, after advancing through office and field positions.

The Loyalty group, of which Firemen's is the chief figure, is one of the strong underwriting combinations of the country.

## Hartford Pays Extra and Bonus

Hartford Fire will pay its regular quarterly dividend of 50 cents, plus 50 cents extra, Jan. 2 to shareholders of record Dec. 5. The directors voted a bonus to each of the 4,200 full time employees of an amount equivalent to one month's salary, a policy inaugurated several years ago.

## EDITORIAL COMMENT

### Can Expense Ratio Be Justified?

E. W. ELWELL of New York City, United States manager of the Royal Exchange, spoke the other day before the Cincinnati Fire Underwriters Association. He is seldom heard and hence what he had to say was listened to with interest. He is one of the very intelligent, studious officials who have come from the other side and are doing a fine piece of work on this side for their companies. All foreign companies especially are much concerned over mounting expense ratios. It has long been an axiom among foreign offices that loss ratios will take care of themselves but the expense ratio will not. The English companies have always watched with a critical eye any advance in the expense ratio. The American companies, too, are not apathetic in this regard by any means. They have their eyes out toward the mercury that is going up the expense thermometer.

Perhaps too much attention is centered on the expense ratio. In a way, the expense ratio has increased because the premium volume has receded due to constant rate reductions. Far more attention has been given to preventing fires than in years gone by. Companies are spending much more money along protection lines. They have developed rating schedules that give credit for the removal of hazards. The expense ratio does not bother steam boiler insurance companies. In fact, the greater part of the premium is absorbed in expense. They believe in prevention. Fire insurance companies are called upon to expend far greater sums as the years go by in preventive measures of various kinds.

We believe that the expense ratio is

justified. Fire insurance is a merchandising business. It is a retail business. Compared with other retail merchandising industries it undoubtedly compares very favorably so far as the expense ratio is concerned. If the continued lower loss ratio is due to greater care and attention being given to preventive measures, then the companies should take credit for it and the public should be so informed.

Mr. Elwell called attention to the fact that there is a tendency for agency commissions to rise. That is true but we are demanding greater service on part of agents than we have before. It is necessary for them to be far better informed, more intelligent, more alert, more desirous of being actual and genuine insurance counsellors. There is no complaint on part of the public on the commission that an agent receives if he earns it. However, he must earn it and he must prove that he earns it. Great educational waves indicate a growing consciousness on part of insurance salesmen that they must be prepared and far better prepared than they have been in the past to meet the demands of the public.

Mr. Elwell brought out one point that is extremely interesting and that is that insurance is peculiarly a personal business. As he expressed it, it is a "highly personal business." It is necessary for the companies to know the policyholders dealt with and the policyholders on their part must know the agents with whom they deal. Therefore, selling insurance over the counter or by direct mail does not satisfy premium payers. They want someone at hand to whom they can turn in case of trouble.

### Handling of Committee Reports

STATE associations of insurance agents are fast learning that it is a mistake to have committee reports read at meetings unless there is something very outstanding in them. They might be printed and distributed at meetings or made a part of the program procedure as adopted by the Indiana Association of Insurance Agents. The New Jersey Association of Underwriters prints all the reports in its house organ that is circulated among the members before the meeting.

These reports are important. They should not be minimized. Committee work, intelligently and faithfully carried out strengthens a state association immensely. However, a number of chairmen make their reports too long and deal with insignificant subjects. When an agent can sit down and read the reports he can digest them and have in his own mind the highlights. To read these reports as was formerly the case at meetings throws a heavy wet blanket over an audience.

### Uniformity in Titles

THERE are a few state associations of local agents whose names do not coin-

cide with that of the National Association of Insurance Agents. It was

thought desirable to have each state follow the nomenclature of the parent body. For instance, each state should have following its name "Association of Insurance Agents." Washington is the latest to change its name, it having been the Insurance League of Washington. It now becomes the Washington Association of Insurance Agents thus giving uniformity in name. The Louisiana Insurance Society at its annual meeting changed its name to the Louisiana Association of Insurance Agents.

It would be well, if possible, for all

the state bodies to have similar titles. Some owing to the long usage find a sentimental attachment to the old name so it is difficult to make the change. Those still having different names from that of the National association are the Florida Insurance Agents Association, Idaho State Association of Insurance Agents, Montana State Association of Insurance Agents, New Jersey Association of Underwriters, New York State Association of Local Agents, Oklahoma Association of Insurers, Utah Fire & Casualty Insurers Association.

## PERSONAL SIDE OF THE BUSINESS

George W. Neare of Neare, Gibbs & Co., Cincinnati, and Mrs. Neare are enjoying a short vacation in Florida.

Dec. 16 marks the 64th anniversary of Chairman C. W. Bailey with the American of Newark. He started as an office boy at a salary of \$5 per week.

Vice-president Barry Truscott of Camden Fire has been making a middle western trip visiting Indianapolis, Chicago and Madison, Wis., among other points.

Robert C. Hosmer, president of Excelsior of Syracuse, has been elected president of the Cornell Club of Syracuse. He has served as secretary the past few years. Mr. and Mrs. Hosmer were in Chicago recently to attend the funeral of Mrs. Hosmer's sister, Mrs. Frank Jackson of Evanston, Ill.

E. E. Goodwyn, Emporia, Va., past president of the Virginia Association of Insurance Agents, conferred in Richmond with Governor Price on a plan for a state protective force to replace the national guard, which will be inducted into active service in January. He is brigadier general of the reserve corps and in the last war was a regimental commander overseas.

R. B. Augustine, Richmond, Va., local agent, and a party of friends while on a wild goose hunt at Mattamuskeett, N. C., bagged the full limit each of the three days. In the party were E. M. Ransom, assistant manager Commercial Union, Atlanta; J. R. Mitchiner, North Carolina state agent; J. N. Jacobs, Virginia state agent, and sons of Mr. Ransom.

L. T. Stubbs, Oklahoma state agent Central States Fire, who has been confined to Wesley Hospital in Wichita for over two weeks with peritonitis, is much improved and thought to be out of danger but will be in the hospital for some weeks until he is strong enough to undergo an appendectomy.

R. A. Napier, president R. A. Napier & Co., Chicago, celebrated his 75th birthday, this being his 47th year in the insurance business. He went to the office in the afternoon and was presented 75 roses by the office employees. In the evening there was a small family celebration. He received many telegrams and flowers from business acquaintances and insurance companies.

Morton T. Jones, president Kansas City Fire & Marine, has been elected president of the Kansas City chamber of commerce. He has served several terms

as director of the chamber and on various committees. J. C. Higdon, vice-president Business Men's Assurance, was elected a director.

W. A. Miles III of Miles & Miles, Chicago, will be married Dec. 14 at the First Methodist Church in Evanston, Ill., to Miss Evelyn Samuelson of Chicago. They will take a honeymoon trip to Miami, Fla.

Lee Olney, state agent Northern Assurance in Denver, is in a critical condition in a Denver hospital suffering from a brain concussion incurred in an automobile accident near Littleton. He had been unconscious for some days but was given a better than even chance to recover.

F. D. Carr, Iowa state agent Springfield F. & M., was puzzled when his friends congratulated him on being a bridegroom, but it was a case of mistaken identity. H. A. Karr, special agent Hartford Fire, was the bridegroom. THE NATIONAL UNDERWRITER reported erroneously the Springfield state agent as the honeymooner. Mr. Carr who has been with the Springfield 30 years, observed his 75th birthday anniversary Dec. 2. Mrs. P. J. Payseur, wife of the Phoenix Iowa state agent and daughter of Mr. Carr, honored her father with a birthday party attended by many of his intimate friends.

Hendon Chubb, of Chubb & Son, has donated \$20,000 to the British War Relief Society for the purchase of mobile kitchens to be sent abroad.

The personnel of the Republic of Dallas and its agents honored A. F. Pillet, president, with a testimonial in connection with his long service with the company. Within two months over \$200,000 of new premiums were received. Mr. Pillet said this represents a fine spirit of loyalty and cooperation on the part of agents and brokers who took an active part in the campaign.

M. F. Johnson, Columbus, O., state agent Rhode Island Fire, is one of the prize winners in the current photographic contest conducted by the magazine, "Prize Photography." Mr. Johnson, who is an accomplished photographer, submitted a scene entitled "Winter Twilight."

Paul W. Oliver, manager of the home office marine department of Dubuque F. & M., with headquarters in Chicago, was married last Saturday to Elizabeth Dewes, the daughter of Mrs. Edwin Dewes, 6 Scott street, Chicago. The



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wedding took place at the bride's home. Mr. and Mrs. Oliver are on a wedding trip and are expected to return about Dec. 17.

**I. H. Ramaker**, assistant secretary of Security Fire of Davenport, Ia., has returned to his home at Davenport following an operation. He expects to return to his desk shortly.

## DEATHS

**W. O. Bristow**, 62, long district manager of the Mutual Life of New York, at Franklin, Va., died there. He also operated a local agency. **G. E. Pillow**, a son-in-law, is manager of the agency.

**J. F. Quiner**, 71, with the Underwriters Salvage Co., of Boston for 40 years, the last 18 years as general agent, died at his home in Beverly, Mass., following a short illness. He was known throughout New England as a salvage expert.

**L. B. Ponder**, 55, former member of the Louisiana insurance commission, died of a heart attack in a New Orleans hotel.

**Max J. Winkler**, 60, head of the Winkler Insurance Agency of Cleveland and Pittsburgh, died in Harrisburg, Pa.

**Wallace C. McWhinney**, 72, Minneapolis local agent, died there. He had been in the insurance business more than 50 years and for several years was secretary of David P. Jones & Co. He established his own agency in 1922.

**Willard S. Brown**, 73, head of Willard S. Brown & Co., New York, died in Roosevelt Hospital, New York. He had undergone an operation about two weeks previously.

Mr. Brown entered the insurance business in 1892 and two years later founded the firm of Burke & Brown, attorneys and managers of New York & Boston Lloyds, which Mr. Brown founded. In 1897 this company was converted into Northern of New York and Mr. Brown remained a director of that company until the time of his death.

Upon the death of Mr. Burke in 1903 the firm of Willard S. Brown & Co., was organized. Mr. Brown and the late James Marshall became general managers of Northern of New York and metropolitan managers of a number of fire companies. In 1925, the firm relinquished the general management of Northern but retained its present metropolitan management and the firm was incorporated under its present name. Since that time Mr. Brown has devoted his attention chiefly to the city and suburban business.

Mr. Brown was a director of Commercial Union Fire of New York. He was a member of the fire patrol of the New York Board of Fire Underwriters for many years and was an officer of the Association of Local Agents of the City of New York. The latter association was represented at the funeral by a committee consisting of James J. Hoey, Charles A. Fowler and George F. Kern.

**A. C. Briner**, 66, adjuster at the Pittsburgh office of the Fire Companies Adjustment Bureau, died in St. Francis hospital there. He had been identified with adjustment work during his entire business career.

**W. B. Rohrer**, long time local agent at Lancaster, Pa., died there.

**Mrs. Emily B. Wilkoff**, widow of C. A. Wilkoff, who founded the Wilkoff Insurance Agency, Columbus, O., and mother of C. D. Wilkoff, now head of the agency, died at her home in Columbus.

**Fred W. Agatz**, 84, veteran Olympia, Wash., local agent, died at his home there.

**W. S. Satterlee**, 58, of the Satterlee-Buchholz agency, Missouri Valley, Ia., died following an attack of thrombosis.

**C. O. Bell**, 47, local agent at Vincennes, Ind., dropped dead from a heart attack.

**Paul K. Phipps**, 42, New Philadelphia, O., local agent, died there.

### Baltimore Mutual Reinsured

The Central Manufacturers Mutual has reinsured the outstanding business of the National Underwriters Mutual of Baltimore.

## Insurance Program to Be Expanded by U. S. Chamber

WASHINGTON—Plans for expanding the services of the U. S. Chamber of Commerce in the insurance field are announced by President James S. Kemper, president Lumbermen's Mutual Casualty. Plans for activity along insurance and loss lines have been worked out by Mr. Kemper and Esmond Ewing, vice-



T. F. CUNNEEN

president Travelers Fire, chairman of the chamber's insurance department committee.

T. F. Cunneen, manager chamber's insurance department, has been advanced to executive assistant for insurance in the chamber. A. H. von Thaden, assistant manager, will succeed Mr. Cunneen as manager.

In his new duties, Mr. Cunneen will have even closer relations than formerly with the insurance industries. He will promote the cooperative effort with local chambers of commerce and trade and industrial associations in the work of their committees on accident prevention and safety, fire prevention and health conservation.

### Formerly New York Deputy

Mr. Cunneen has been manager of the insurance department since 1928. Prior to that he was New York deputy superintendent of insurance. He is a member of the New York bar.

Mr. von Thaden has been on the chamber's staff since 1926. Prior to that he was statistician for the Commercial Casualty and before that assistant statistician for the Fidelity & Casualty.

### P. V. Barnett Gets \$15,000

KANSAS CITY—Paul V. Barnett, attorney who acted as special master for the three-judge federal court here in the Missouri fire rate case, was awarded \$15,000 for his services by the court. This was the minimum recommended by attorneys for the Missouri department and insurance companies. He spent 888 hours conducting hearings, preparing his report, etc.

### Hartford Names Six Secretaries

Promotions in the home office staff of the Hartford Fire include the appointment as secretaries of Robert D. Morse, Philip S. Brown, Francis I. Fenn, Arthur L. Polley, William S. Vanderbilt and George S. Atkinson, all previously assistant secretaries. At the same time B. L. Whorf and W. T. Bissell were named assistant secretaries.

**A. J. Smith**, assistant treasurer U. S. Aviation Underwriters, has been visiting F. E. Treadwell, Los Angeles manager.



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# The NATIONAL UNDERWRITER

December 5, 1940

CASUALTY AND SURETY SECTION

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## Labor Department Spokesman Sees High Accident Rate

**Must Strive to Keep Deaths Below 16,000 During 1941**

Prediction that the industrial accident rate will increase as the defense program gets into full swing was made by L. M. Walling at the recent annual meeting of the Air Hygiene Foundation in Pittsburgh. Walling is administrator of the division of public contracts, United States Department of Labor.

The influx of a large body of new workers, who have not had previous experience in industry, who are not familiar with machinery and who haven't yet developed the "feel" of the factory, will inevitably raise the accident rate as it did during the last war, he said. The incidence of accidents is higher in this group because of their immaturity and carelessness.

### Mostly Skilled Labor

The \$10,000,000,000 already appropriated for defense purposes will create about 4,500,000 man-hours of labor. Nearly two-thirds will be skilled or semi-skilled workers and only one-third unskilled. In August alone 400,000 men received employment in manufacturing industry. Apprentices are being trained to fill the skilled jobs. Many skilled workers who had become "rusty" are finding their way back to their old jobs as tool makers. Great numbers of young persons who have never worked in industry before are finding their way to profitable employment.

Every effort must be made to encourage better physical working conditions, he said. Walling is sending a letter to every company that has a defense contract advising it of the free and expert service that is available in a program to lessen accident and death rates. The government is now dealing with many new and small companies that have not been in the government market previously, but are now being drawn in by the government by its policy of negotiating contracts directly as well as by competitive bidding to provide as many sources of supply as possible. Many of these companies are not safety conscious. Many of them have no health and safety programs and no safety expert.

### Legislation Is Not Enough

Legislation will not accomplish the result alone, he said. Industry and labor must be aroused to a consciousness of the importance of being awake 24 hours a day to the need of constant improvement of the physical conditions of work. He said that employees are frequently reluctant to use safety devices that are supplied. Goggles and respira-

(CONTINUED ON PAGE 31)

## May Review Lloyds Illinois Licensing

**Dismissal of Suit Brought by Surety Companies Is Denied—Held Proper Step**

The domestic surety companies that have been trying to obtain a public determination of how the licensing of London Lloyds in Illinois corresponds to the exact provisions of the insurance code, gained something of a victory the other day in a decision of Circuit Judge Stone at Springfield, Ill. Judge Stone denied the motion in behalf of the state to dismiss a petition to review the licensing order issued to Lloyds by the Illinois department in December, 1937. That petition has been before the court for more than two years, but no steps have been taken to bring about a determination of the issue. A companion suit in the nature of a quo warranto action that was brought by the surety companies was taken up and Lloyds won successive victories in the lower court, appellate and state supreme courts.

Judge Stone allowed the name of C. Hayden Davis, new insurance director of Illinois, to be substituted for that of Ernest Palmer, the former director.

The surety companies contend that Lloyds has not complied with various provisions of the insurance code, particularly those governing deposits. In answer to the arguments of the state for dismissal of the case, counsel for the surety companies argue that the code provides court review of orders issued by the department. Assistant Attorney-general Harris contended that the review case had lain dormant since it was filed Jan. 26, 1938; that it was abandoned in favor of the quo warranto case and that the surety companies were not aggrieved parties. Judge Stone held, however, that the previous decisions indicated that the surety companies were pursuing the wrong course and the review procedure is the only proper way.

"This case should be heard on its merits because of the public interest involved," the judge stated.

### "Persons Aggrieved"

It had been contended on the part of London Lloyds that the 17 surety writing companies were not "persons aggrieved" within the meaning of section 407 of the Illinois insurance code and to construe that section to permit a review of the action of the insurance director in issuing a certificate to Lloyds without giving notice to the licensees would render that section unconstitutional. The court held, however, that the surety companies had property rights that would certainly be affected if the license has been improperly issued and that in his judgment the petition of the surety companies for review clearly shows the petitioners to have been so "aggrieved."

The court expressed the further opinion that in view of the provisions of section 407, which clearly show that any license issued may be subject to review within 30 days from the date of such issuance, the licensees were placed upon notice that such statutory review might

## Amer. Auto Looks Beyond Auto Field; Employs Lees

American Automobile has added to the home office staff Harry Lees, who has been assistant manager of United States Fidelity & Guaranty in New York. Mr. Lees will be elected a vice-president of American Automobile in January. His duties will be in connection with comprehensive policies and he will assume his new position not later than Jan. 1.

President Schleyer said that American Auto's major concern naturally will continue to be the automobile lines. He expressed the opinion, however, that the trend in the insurance business seems to be toward multiple cover contracts and points to this trend as justifying the company's present interest in the comprehensive policy. Mr. Schleyer asserted that it has been the traditional policy of American Auto to keep prepared to meet the constantly changing conditions in the business.

Mr. Lees, a native New Yorker, graduated from Alfred College in 1927 and then pursued post-graduate studies at Columbia University. His business career began immediately thereafter and has been devoted to casualty insurance exclusively.

Mr. Lees entered the casualty business with the National Bureau of Casualty & Surety Underwriters serving in various capacities until 1934, when he became superintendent of the automobile department for U. S. F. & G. in New York. Two years later he was promoted to superintendent for all casualty lines and in 1937 was appointed assistant manager.

Mr. Lees' insurance career has covered a wide range of activities. He has lectured extensively on insurance subjects. He delivered the casualty lectures of the New York Insurance Society's broker's qualification course in 1939. He is a member of the Casualty & Surety Club, Insurance Federation, New York Board of Trade (Insurance Section), and Casualty Automobile Underwriters Association of New York.

Mr. Lees was honored by his associates in the New York City office of the United States Fidelity & Guaranty at a luncheon Tuesday.

be instituted and applied to them to keep informed respecting any subsequent action for review that might be taken during the 30 day period.

The order of the court denying the motion to dismiss directed the insurance director to file a complete transcript of the hearing that was held in connection with the issuance of the license with the clerk of the court within 10 days.

It is understood that the insurance department is now giving consideration whether to carry the fight to the supreme court on the motion to dismiss alone. If such a course is taken, the department might not file the transcript of the hearing as directed.

### McDonald Resigns Federal Post

Stewart McDonald has resigned as Federal Housing administrator and announces that he will henceforth devote more attention to the affairs of Maryland Casualty, of which he is chairman.

## Agree Commissioned Agents Only to Countersign

**Validating Fee 5%, Minimum \$1, Maximum \$50—Agents, Companies Sign**

The executive committee of the National Association of Insurance Agents and a committee of the Association of Casualty & Surety Executives have agreed upon a set of practices in the realm of countersignature of policies and bonds. Several conferences were held, with the agents seeking to bring about the establishment of the practice of resident countersignature by local licensed commissioned agent only.

The agreement is as follows:

1. No company member of the executives' association shall accept business direct. The object of this agreement is not only to terminate overhead writing, but also that all business will flow freely through commissioned agency channels.

### Emergency Provision

2. On all business where a contract of insurance is negotiated by an agent or broker who is a non-resident of the state where the property insured, or the insurable interest protected is located, every policy of insurance or bond shall be countersigned by a local resident agent who is compensated on a commission basis and shall not be countersigned by a salaried company employee. However, in any case where it is necessary to execute an emergency bond, where a commissioned agent is not present who is authorized to execute such a bond, a company manager or other employee, having authority under a power of attorney, may execute the bond in the first instance in order to produce a valid contract between the company and the obligee; provided such bond is subsequently countersigned by a resident commissioned agent who shall make and retain an office record showing sufficient information of the transaction as to indicate the essential information to preserve a record.

3. On such business produced by a non-resident agent or broker and which requires the countersignature of a resident local commissioned agent of the state where the property or insurable interest is located, there shall be a division of the usual and customary commission between the producing agent or broker and the countersigning resident commissioned agent which shall produce for the countersigning resident agent 5 percent of the premium with a minimum of \$1 and a maximum of \$50; provided that where the originating agent or broker or the company assuming the risk desires additional service to be rendered during the life of the policy, then and in such cases the compensa-

(CONTINUED ON PAGE 24)

## Foundation Sets Out to Handle Legal End of Insurance Estate

S. C. Cyzio, head of Cyzio Service, Chicago, an attorney and former general agent of National Life of U.S.A. is behind a series of experimental advertisements appearing recently in Detroit and St. Louis newspapers offering in the name of the "Clinical Review Division, Insurance Research Foundation," 29 South LaSalle street, Chicago, an insurance analysis service, especially from the legal standpoint. The ads emphasized that there may be wasted premiums, misdirected efforts, miscarriage of protection and future disappointments if the insurance is not properly arranged.

The clinical report calls for a fee of \$2.50 per policy, with special flat rates for businesses and corporations. The survey will report on the legal aspects of actual policies submitted, showing among other things the effects of taxation and making recommendations as to wills and trusts. It will consider all forms of insurance protection.

### Still an Experiment

Mr. Cyzio explained that his plan still was in the experimental stage, although it was initiated nine months ago. He offers to assured a booklet entitled "Is This True of Your Insurance?" in which are pointed out some difficulties encountered with improperly arranged insurance. He also is publishing a brochure directed to attorneys and is contacting many members of the American Bankers Association throughout the country to enlist their cooperation and build up a list of local counsellors to whom he will refer inquiries from their communities.

In furtherance of this plan, Mr. Cyzio announced, Robert R. Harrold, independent adjuster of Los Angeles, who formerly for many years was head of the eastern claim department of Pacific Mutual Life in Chicago and later for a time headed the company's claim department in the home office, will go with Mr. Cyzio Jan. 1, as senior counsel to do research work. He will develop a standardized method of insurance legal analysis for use by the lawyers who become associated with the plan.

### Termed Not Opposed to Agents

Insurance Research Foundation, Mr. Cyzio explained, although it has developed some criticism of insurance as handled in this country, especially the expense item and the large amount of litigation, is not opposed to the American agency system. Mr. Cyzio believes a man's insurance estate requires the services of an attorney which heretofore it has been uneconomical for the average man to employ. Mr. Cyzio hopes to perfect a "mass production" technique which will make it possible to provide adequate legal advice on the insurance at the fee quoted.

After the report has been made to assured, Mr. Cyzio related, the service of the foundation terminates, but if the assured should voluntarily request, Mr. Cyzio will carry out the insurance recommendations made in the report. He stipulates that there will be no personal solicitation and no insurance will be handled for the assured unless this voluntary request is made.

### Others in Cyzio Office

Located in the Cyzio office is the Walter C. Eden agency, which is shown in the "Underwriters Handbook of Chicago" as having a brokerage license to handle general insurance. There is also there a law firm headed by Mr. Cyzio which includes F. P. Rondeau, B. W. Gaul and C. Schuessler.

Mr. Cyzio was the author some years ago of a volume, "Your Insurance," which contained some startling ideas. He is a large personal life insurance producer averaging about \$500,000 annually on leads secured largely by mail through Cyzio Service.

BOSTON—An appeal is to be made to the Massachusetts general court to secure legislation which will assist receivers of defunct mutual liability companies in collecting the contingent liability assessment. Commissioner Harrington has filed the bill. It would authorize the registrar of motor vehicles to suspend the license and registration of a compulsory automobile liability insurance policyholder of a mutual company for non-payment of a contingent liability assessment. Under the law a policyholder in a mutual company is liable for one assessment up to 100 percent of his premium for one year.

In another recommendation the commissioner pointed out that the directors of mutual companies which become insolvent incur personal liabilities if they neglect within six months to collect assessments from the policyholders. He wants this period cut from six months to 30 days.

To provide for the insuring of all reasonable risks the commissioner seeks authority to force the companies to accept certain risks which they have turned down. He would have to distribute these risks equitably among the companies.

Another bill filed would require a claimant in an automobile accident to give notice within a limited time of the place and time of the injury as well as a description of the injury. He seeks power to approve rates and charges of auto insurance premium finance companies.

The commissioner wants power to exercise his discretion in granting certificates to new companies, prohibit outside companies from doing business in the state by mail when they hold no license; to require insurers to turn over unclaimed funds to the state treasury; to allow stock companies to issue participating policies; to repeal the law requiring an insurer which is the subject of a rehabilitating proceeding to hold off liquidation until it has been declared insolvent; to revoke the commissioner's authority to issue licenses to corporations to act as agents, brokers, special brokers, adjusters of fire losses and insurance advisers.

## New Guide of Interstate Commerce Practitioners

James J. Manion, who has been the publisher of the law list, "Insurance Claims Who's Who," has organized the "National Guide of Interstate Commerce Practitioners." The new publication will appear annually, the first issue in 1941. It will be produced by the National Guide Publishing Company of Chicago, of which Mr. Manion is president. It has received the approval of the special law list committee of the American Bar Association.

The book will list attorneys and practitioners who have been admitted and hold a certificate to practice before the Interstate Commerce Commission. It will be the only book of this sort available. Mr. Manion explains that there are over 100,000 motor carriers in the United States, the majority of which do not retain their own full-time counsel. In addition, there are many commercial houses that do considerable shipping by truck and that do not employ their own attorneys. The book will include a complete list of all class 1 carriers, both rail and motor, and the counsel for each will be shown. There will also be a digest of federal and state laws directly affecting and regulating motor carriers.

### John F. Nubel Resigns

John F. Nubel has resigned as vice-president in charge of the New York metropolitan office of Standard Surety & Casualty. He was head of the John F. Nubel agency before he went with Standard S. & C.

## O. D. Rates Too High on Experience, C. W. Hobbs Avers

NEW YORK—The occupational disease hazard is less serious than was supposed, it is indicated by the accumulation of experience which began with policy year 1934, according to the report of C. W. Hobbs to the National Association of Insurance Commissioners at its mid-winter meeting. Mr. Hobbs is representative of the commissioners on the National Council on Compensation Insurance.

Mr. Hobbs stated, however, that the possibility remains that O.D. cases are slow in developing, that the record does not show up all the outstanding cases nor the final cost and that in another severe depression another wave of O.D. cases might roll in. Thus the theory could be advanced that the experience record should not be trusted too implicitly. If the reported statistics are given full credibility the specific rates for a number of the classifications are still altogether too high.

Mr. Hobbs recalled that a year ago the specific O.D. rates established in 1936 were reduced about 25 percent. Then during September and October of this year the rates were again reduced by about 33 1/3 percent. As a result of the two reductions, specific O.D. rates are now on the average about half of what they were in 1936.

Specific O.D. rates and elements were discontinued altogether on 18 classifications.

Mr. Hobbs reported that the National Council has approved the new experience rating plan for introduction in individual states simultaneously with the next general rate revision. Two states were sufficiently impressed with the plan to direct its introduction as of the first of the year without waiting for a general rate revision. The bureaus which must compute the ratings will experience a certain difficulty during the transition from one plan to the other but this should be only temporary, he said. There will be a large increase in the number of ratings to be made since in many states the new plan carries a lower qualification premium.

### Standard's Plan for Draftees

The Standard Accident announces that employees who volunteer or are drafted for military service will be given special leave of absence and when they return in good health, and with a creditable military record, will be reinstated at the salary they were receiving, but not necessarily in the identical positions they occupied.

One month's salary will be given employees with six months to two years service and two months' to those who have been with the company more than two years. Group life insurance will be continued for not more than a year, provided the premium rate has not increased. The employee's contribution will be paid by the company. Group hospitalization and surgical benefit insurance will be suspended, but will be held open for resumption on the employee's return.

### \$85,000 Judgment in Chicago

A jury in circuit court in Chicago the other day handed down a verdict of \$85,000 in an automobile personal injury case. The decision is being appealed. That verdict was given at just about the same time that the Illinois appellate court was setting aside a verdict of \$87,500 that was rendered in favor of Roy D. Keehn of Chicago. The plaintiff in this case was Bessie Goldberg. The accident occurred May 17, 1939, at Ogden and Homan avenues, Chicago. The verdict was obtained against the Capital Freight Lines and Bluebird Bus System. She charged that both a truck and bus caused the injuries. The defendants were represented by Attorney Joseph Hinshaw of Chicago.

## Oct. Auto Deaths Up 4% Over October of 1939

The National Safety Council reports that 3,560 persons were killed in motor vehicle accidents in October, as compared with 3,420 in October of 1939. That is an increase of 4 percent. During the first 10 months 27,360 persons were killed compared with 24,760 in the same period in 1939, an increase of 6 percent. The safety council predicts that the toll for the year will be almost 35,000.

## Premium Finance Companies Put Under Small Loan Act

BOSTON—Because insurance premium financing companies in Massachusetts, an important feature of the writing of automobile liability insurance under the compulsory act, have been loaning sums of less than \$300 at interest higher than 12 percent, recent court decisions are expected to throw them into the class of small loan firms, which must have \$25,000 capital, secure a charter and license and come under the banking department regulations, which allow loans of \$300 and under at a rate of interest up to 3 percent per month.

### Would Make Employer Liable

AUSTIN, TEX.—A special house legislative committee has recommended that the Texas legislature in its next session in January, amend the workmen's compensation law to provide that the employer will be liable to the employee in case his insurance company becomes insolvent and is unable to meet its financial obligations and claims. It also recommends that the compensation coverage be extended to road and bridge workers.

### Plan Did Not Materialize

Some time ago the Maryland Casualty worked out a plan to indemnify radio stations against certain liabilities. It was felt that there would be a demand for this indemnity. In fact, the organization seemed to be seeking something of this kind. However, when it was put on the market it was found there was but very little demand for it and hence the company withdrew from the field.

### Caminetti Files Briefs

LOS ANGELES—Commissioner Caminetti has filed with the California supreme court a brief in his two separate appeals from the decision of Superior Judge Vickers denying petitions to set aside the voting trust agreement of Pacific Mutual Life, the case having been argued some weeks ago.

### Smith Heads Keystone Group

J. M. Smith has been elected president of Keystone Automobile Club of Philadelphia and its two insurers—Keystone Automobile Club Fire and Keystone Automobile Club Casualty. He takes the place of the late J. B. Weeks.

### Ocean Advances Rauschenbach

Charles R. Rauschenbach has been appointed assistant manager of the central department Ocean Accident and Columbia Casualty in Chicago. He has been in the business 26 years. He was connected with the National Bureau of Casualty & Surety Underwriters in Chicago and New York and then went with Ocean Accident as superintendent of compensation and liability at the head office. He was transferred to Chicago in the same capacity in 1934.

Andrew E. Ferretti, who has been assistant to Mr. Rauschenbach, now becomes compensation and liability superintendent.

Accident and health business is good. For money making plans read the A&H Review—\$1 for six months, 175 W. Jackson Blvd., Chicago.



## ASSOCIATIONS

### Casualty-Surety Managers of Chicago Elect

W. O. Schilling, Chicago manager of United States Fidelity & Guaranty, was elected president of the Association of Casualty & Surety Managers of Chicago at the annual meeting Monday



W. O. SCHILLING

evening. He takes the place of H. N. Douglass, New Amsterdam Casualty. The new vice-president is Laurence S. Jones, Ocean Accident, and secretary is J. M. Fraser, London & Lancashire Indemnity. The executive committee consists of Mr. Douglass, James White, Travelers; John P. Keevers, Maryland Casualty; K. O. Saunders, Globe Indemnity; R. E. West, Century Indemnity; J. L. Maehle, American Surety and B. J. Nietschmann, National Surety.

### Special Reports Up in Los Angeles

LOS ANGELES — Special reports were discussed by the Casualty Insurance Adjusters Association of Los Angeles. W. B. Cleaves, past president, reviewed the proposed change in section 29 of the civil code, which provides that an unborn child be given consideration insofar as accidents are concerned. He said that the proposed change provided that action could be brought four years after the accident.

Richard Oliver, chairman compensation committee, read letters relative to the action taken by the state industrial commission in the medical report situation. The committee suggested that no appeal be taken on petitions that had been denied, as a whole, but that a test case be selected and then an appeal be taken. The report was adopted.

### Crosley Heads Chicago Adjusters

Henry E. Crosley, Glens Falls Indemnity, was elected president of the Casualty Adjusters Association of Chicago at the recent annual meeting. Amos D. Owen, Zurich, is vice-president, and Robert T. Luce, Casualty Mutual, was reelected secretary. The outgoing president is J. J. Herrman, independent adjuster.

The annual Christmas party will be held the evening of Dec. 10, in the Sherman Hotel with Ernie Young furnishing the entertainment. Members of the industrial commission and the industrial surgeons will be special guests.

### Rohrich Pittsburgh Speaker

PITTSBURGH — Ralph Rohrich, Maryland Casualty, spoke on "Coordination of Casualty and Bonding Lines as a Definite Means of Premium Production" at the monthly meeting of the Casualty Insurance Association of Pitts-

burgh. J. R. Wilson, Travelers, presided.

Arthur D. Cronin, director of the Associated Insurance Brokers & Agents, addresses the Association of Casualty Underwriters of Boston this week at a dinner meeting.

### Greathouse Texas Actuary

AUSTIN, TEX.—Gerald W. Greathouse, Fort Worth attorney, has been appointed actuary and chief rater of the workmen's compensation division of the

Texas insurance department. He succeeds A. E. Tabb, resigned.

Mr. Greathouse graduated from the law school of the University of Texas. For a time, he was connected with the RFC and later went into private practice, centering upon insurance and oil and gas matters.

### Industrial Insurers to Richmond

Richmond, Va., has been selected by the executive committee for the 32nd annual convention of the Industrial Insurers Conference, May 28-30, with the Hotel John Marshall as convention headquarters.

Leonard Parks & Co., Cleveland, were presented an onyx clock, commemorating the 25th anniversary of their representation of Fidelity & Casualty, by B. C. Sauer, Cleveland manager. B. M. Culver, president, sent a congratulatory letter.

The annual Christmas party of the Casualty & Surety Club of New York will be held at the Waldorf-Astoria Hotel the evening of Dec. 16.

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great diversity of products to hold down cost, increase efficiency. And everyone concerned with the delivery of a bottle of milk, a pound of butter, a half pint of cream—whether dairy farmer, public official or milk distributor understands the middleman's contribution in service and special skill.

And when the efficient milk distributor or experienced dairy farmer buys insurance, he does not just say, "\$50 worth of protection please." He asks for and obtains the full service and advice of the experienced agent or broker, familiar with the special insurance problems of his clients. No worries about uncovered risks or lapsed policies.

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Like the independent business man or organization in the dairy industry, the insurance agent or broker is a middleman, rendering indispensable service in his own special field. And because we believe in the middleman's function and services, we refuse to accept business direct because it is not in the interests of the company or the assured to do so. When you buy National Surety Fidelity Bonds, Surety Bonds, Burglary or Forgery Insurance through your local agent or broker, you deal with a customer and friend who is a fellow member and supporter of the American Business System.

● This is a reprint of an advertisement of National Surety Corporation which appears in *The Milk Dealer*, a leading publication in the dairy industry. It is directed to the independent business men in the dairy industry in your city.

It is an effective sales help to our agents and another proof of our belief in and support of the American Business System.

NEEDLESS risk and higher real cost mean nothing to such buyers. Through the joint effort of health authorities, milk companies and farmers, the great dairy industry provides a vital service at a minimum cost. That safe, rich bottle of milk that appears on your doorstep each morning represents a product of private enterprise unmatched anywhere in the world.

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## NATIONAL SURETY CORPORATION

VINCENT CULLEN, President

## NEWS OF THE CASUALTY COMPANIES

### Standard Accident Shares Are Offered at \$54

An amendment to the registration statement of Standard Accident with the Securities & Exchange Commission reveals that the new common stock that it is issuing will be sold at \$54 a share. The stock will be of \$10 par and there will be 115,270 shares offered. The First Boston Corporation heads an underwriting syndicate to handle the transaction, and it has agreed to underwrite 20,000 shares. There are 37 other firms that will participate in the offering as follows:

Lazard Freres & Co., F. S. Moseley & Co., White, Weld & Co., and the Wisconsin Co., 5,000 shares each; W. E. Hutton & Co., First of Michigan Corp., 4,000; McDonald-Coolidge & Co., 4,770.

Mackubin, Legg & Co., Stern, Wampler & Co., Watling, Lerchen & Co., G. M. P. Murphy & Co., 3,000 shares; A. C. Allyn & Co., Inc., Bosworth, Chanute, Loughridge & Co., Schwabacher & Co., William R. Staats Co., and Dean Witter & Co., 2,500.

Alex Brown & Sons, Brown, Schlessman, Owen & Co., Conrad, Bruce & Co., Jackson & Curtis, Merrill, Turben & Co., Mitchum, Tully & Co., O'Melveny-Wagenseller & Durst, Pacific Co. of California, Schoellkopf, Hutton & Pomeroy, Inc., Wells-Dickey Co., Whiting, Weeks & Stubbs, Inc., 2,000 shares.

Huff, Geyer & Hecht, Inc., Stein Bros. & Boyce, 1,500 shares; Fahey, Clark & Co., Granbery, Marache & Lord, Kalman & Co., McDonald, Moore & Hayes, Inc., Moore, Leonard & Lynch, Ferris & Hardgrove, Fuller, Rodney & Co., 1,000.

### S. C. Insurer Surrenders Charter

Commonwealth Casualty of Columbia, S. C., has surrendered its charter. It has no outstanding obligations and will apply to the insurance commissioner for release of securities. John W. Lillard is president.

### Employers Reinsurance May Have 33 1/3% Stock Dividend

KANSAS CITY—Stockholders of the Employers Reinsurance will vote Jan. 28 on a proposed 33 1/3 percent stock dividend. To effect the increase from 150,000 to 200,000 shares, \$500,000 will be taken from surplus. The one-for-three stock dividend will be payable Feb. 15, 1941, to holders of record Jan. 31, if stockholders adopt the recommendation made by directors.

### New Canton Mutual Receiver

BOSTON—A. X. Dooley, Boston auditor, has been appointed receiver of the Canton Mutual Liability by the supreme court on petition of Commissioner Harrington. A former receiver of the company, which was closed two years ago by the insurance department, resigned his job, stating there were insufficient assets to pay the costs of a receiver. Mr. Dooley will hold hearings to determine the liability of the 30,000 policyholders as to assessment to meet the \$995,392 indebtedness of the company, representing accrued claims for 1937 and 1938.

### General Reinsurance Pays Extra

General Reinsurance has declared its regular quarterly dividend of 25 cents and an extra of 25 cents payable Dec. 16, to stock of record Dec. 9.

### Report on Merchants Mutual

DES MOINES—An examination of the Merchants Mutual Bonding of Des Moines, as of Sept. 30, shows admitted assets \$52,484, surplus \$27,500. The report stated the company showed a substantial increase in amount of business

written and a continued low loss ratio, but that the underwriting expense was high. For the first nine months of 1940, the incurred expense ratio was 66.9 percent.

The total premiums were \$46,027; losses incurred \$2,081; loss adjustment and expenses incurred \$260; underwriting expenses incurred \$30,779; gain from underwriting \$13,076.

It writes fidelity and surety business in Iowa only. Merle Milligan is president and Elmer Warner, secretary.

### Industrial of Dallas Licensed

DALLAS—The Texas Board of Insurance Commissioners has licensed the Industrial of Dallas, an affiliate of the Traders & General of this city, with \$100,000 capital and \$100,000 surplus, which will write only workmen's compensation insurance in Texas for the present. The new stock carrier succeeds the Industrial Lloyds, organized early this year by the same interests, which was itself a successor to the Industrial Indemnity Exchange, a reciprocal.

Officers of the new concern are the same as those of the Traders & General: T. H. Morrow, president; E. C. Hilman, executive vice-president and secretary; J. H. Albright and T. C. Stanford, vice-presidents; W. F. Williams, treasurer.

The Plymouth of Chicago has been entered in Virginia.

## PERSONALS

Schofield B. Gross, associate manager of the bond department of Glens Falls Indemnity in Chicago, has been reelected president of the Riverside Golf Club, Riverside, Ill.

J. M. Pratt, Jr., veteran adjuster of the Los Angeles office of the Aetna Casualty, is in a serious condition at St. Vin-

cent's hospital as the result of an automobile accident.

Mrs. Bertrand A. Page, wife of the vice-president of Travelers, died in West Hartford. She was born in Hamilton, Bermuda. Besides her husband, she leaves a son, Nelson Whitney Page, a daughter, Mrs. Janet Page Davis, whose husband is in the life insurance business in Hartford.

### Great Central Mutual Roundup

Great Central Mutual of Peoria, Ill., which specializes in writing holdup and burglary insurance, is holding a sales conference and Christmas party for all of its representatives in Illinois, Indiana, and Missouri in Peoria, Dec. 29. An attendance of more than 100 is expected. President James S. Flanigan will be in general charge.

### Hawkins Nominated in N. J.

NEWARK—At a luncheon meeting of the Surety Underwriters Association of New Jersey, the following officers were nominated: President, R. W. Hawkins, New Amsterdam Casualty; vice-president, H. E. Vernoy, Firemen's of Newark group; secretary-treasurer, Samuel Williams, Aetna Casualty.

Trustees nominated to serve for one year are: J. N. Conway, Hartford Accident; C. W. Quick, Aetna Casualty; C. J. Collins, Standard Accident; H. B. Hodge, National Surety; H. N. Hutchinson, American Surety.

The annual meeting will be held Jan. 7.

F. H. Doenges, St. Louis manager Fidelity & Deposit, spoke at a meeting of the Jefferson County Bankers' Association at Festus, Mo., on "Bank Insurance Provided by the Surety Companies."

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## Arbitration of N. Y. Medical Bills in Doctors' Hands

NEW YORK—Convinced that the procedure for the arbitration and settlement of medical bills now in effect in New York state is the best system yet devised for the handling of this problem, H. D. Sayer, general manager Compensation Insurance Rating Board of New York, told the members of the Association for the Advancement of Industrial Medicine and Surgery, that the working of this procedure is entirely in the hands of the doctors themselves. It is their own forum unlike anything else that he knows about.

Reviewing the development of arbitration of medical bills under the New York compensation law, Mr. Sayer said that New York became the first state to extend unlimited treatment, unlimited as to period of time and unlimited as to amount, the only requirements being necessity and reasonableness. This made necessary, as a control measure, the requirement that the doctor file a report within 20 days or suffer the penalty of non-enforcement of his bill. This worked fairly well, but too often technical and unwarranted objection was taken to otherwise legitimate bills simply on the question of authorization or delayed report.

### Demand for New Medical Setup

In this situation it was not surprising that the demand grew for a complete new medical setup. Thus, there was brought about the limited free choice provisions of the law, under which authorization by the employer became outlawed. The necessity of prompt report became more urgent and the time for a first report was brought down to 48 hours.

By the law it was forbidden for the doctor to charge or receive from a compensation claimant any fee for services, his right of recovery being limited to the employer or insurance carrier. Medical was made the direct responsibility of the insurance carrier. To set a standard of reasonableness, the industrial commissioner was empowered to establish a minimum fee schedule, this being essential if constant friction and difficulty were to be avoided.

### Eliminate Resort to Courts

It was greatly desired that the necessity of frequent resort to courts to enforce bills be eliminated and, likewise, that the great burden of passing upon literally thousands of claims be lifted from the industrial board. Since no basis existed for the enforcement of bills in law, it was sought to establish a tribunal and a right of jurisdiction by consent of the parties.

Under this procedure four doctors are appointed, all members of the state medical society, two designated by the county medical society and two designated by the rating board on behalf of the carriers. Medical bills come before the arbitration board on a signed submission of the parties, thus acquiring jurisdiction by consent. In the case of refusal to abide by the decision, the award of the arbitrators could be enforced in court in like manner as any other arbitration.

### Decision by Three Sufficient

The agreement of three members of the arbitration board shall be the decision of the board. In the event of a tie vote, the arbitrators themselves may select a fifth doctor whose decision shall be final. How infrequent this has happened appears from the fact that in the year 1938 a fifth arbitrator had to be called on only four cases while in 1939, on only one.

During 1938 more than 727 bills were arbitrated, while 257 additional bills were settled by agreement between the parties prior to the actual arbitration. The amount of dispute on such bills was

\$62,400. During the year 1939, 742 bills were arbitrated while 331 were settled between the parties, the amount in dispute being \$71,000. So far in 1940, there has been a slight increase in the number of bills submitted to arbitration. During the first 10½ months, the board has disposed of as many cases as it did during the preceding months.

Substantial reductions have been affected in bills that have finally come to arbitration. In some cases the disputed amount has been entirely disallowed, while in other cases substantial reductions have been made. In still other cases the full amount claimed by the doctors has been awarded. The fact

that substantial reductions were made, and that in some cases bills are entirely disallowed, indicates the care with which the arbitrators discharge their functions and demonstrates, Mr. Sayer concluded, the need for such procedure.

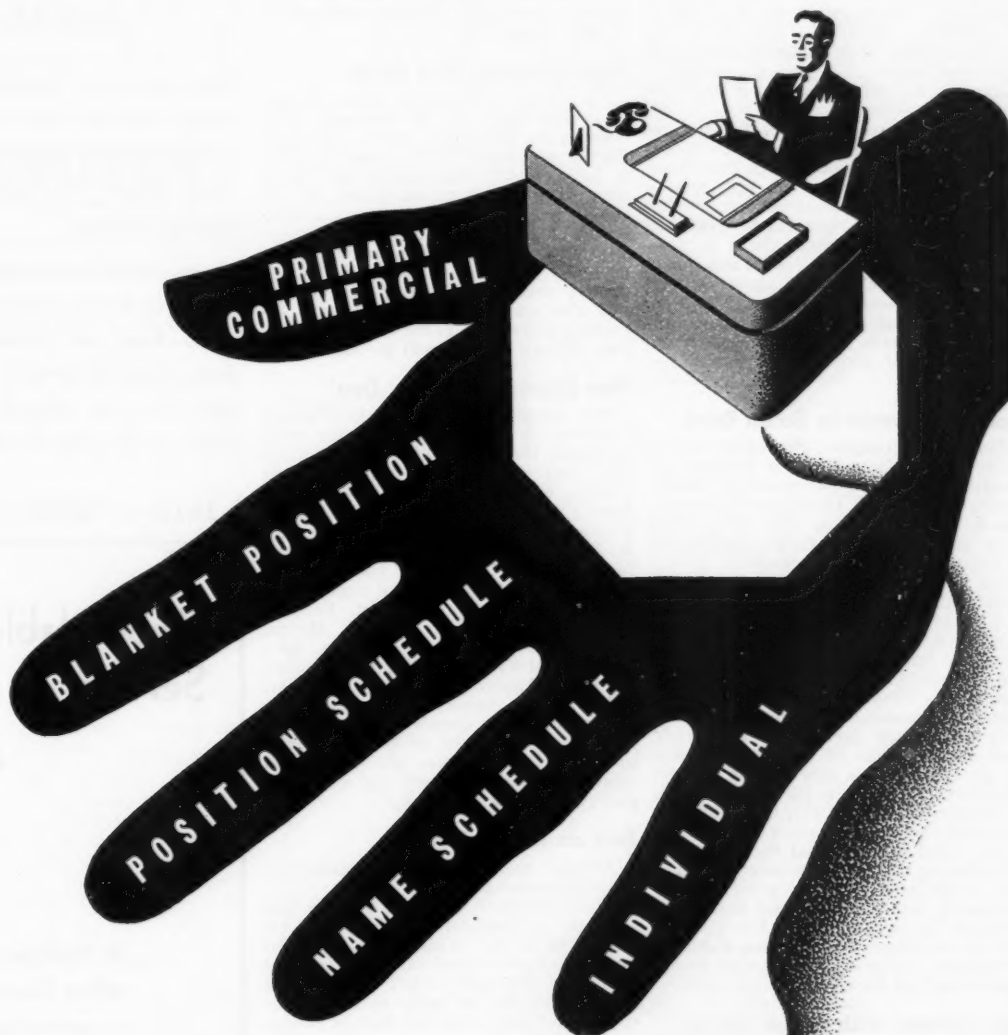
## Dearborn National Group Opens Eastern Department

The Dearborn National Group has established eastern department offices at 99 John Street, New York, to effect better coordination of agency service and field operations on the Atlantic seaboard. The offices will service New Jersey,

Pennsylvania, Delaware, Maryland and District of Columbia for both companies as well as New York and Connecticut for Dearborn National Fire. The service offices at Philadelphia and at Washington will be eliminated and all operations moved to New York. Field representative for the territory will travel under the supervision of this eastern office.

## Thomas Leads in A. & H.

W. L. Thomas, Los Angeles general agent of the Massachusetts Bonding, again led all agencies in accident and health production in November, for the ninth month this year.



**TODAY...industry moves forward to greater and more efficient services. Geared to pace with this drive our new FIDELITY BONDS equip Central Agents to give their insureds complete protection.**



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## ACCIDENT AND HEALTH

### Every Local Association Has Educational Committeeman

E. H. Ferguson, president National Accident & Health Association, announces the completion of the National association's committee on education, with the selection of members by each of the 30 local associations. This means a committee of 33 members, including the chairman, Mansur B. Oakes, director Sales Management Service, and the honorary members, Dr. S. S. Huebner, president American College of Life Underwriters, and E. J. Faulkner, chairman educational committee Health & Accident Underwriters Conference.

Mr. Ferguson says the local associations have as a rule exercised great care in the selection of members for this committee, recognizing its far-reaching possibilities. He feels the fact that the committee completely represents all the associations indicates the standing education has with members of the National association.

The committee will pool the experiences of local associations to utilize plans along educational lines that have behind them a record of accomplishment. It is hoped to set up shortly educational programs that will be available for the use of the associations in providing group and semi-individual courses for all classes of agents selling accident and health insurance. The plan also contemplates ways and means for educating specific groups of laymen on the benefits of accident and health insurance.

### Compton Speaks in South Bend

Donald E. Compton, Provident Life & Accident, president Chicago Accident & Health Association, addressed the Mishawaka-South Bend Insurance Exchange, South Bend, Ind., on the "Why and How of Accident & Health Insurance in General Insurance Agencies."

On the "why" side, he listed the money making possibilities, protection of present business and possibilities for new clientele. As to "how," he emphasized the importance of starting among the agent's clientele and showed the danger of "deskitis." He said that a thorough canvass of the clientele of any well established agency by a multiple line man will take all of his spare time for six months or a year and he set visiting three to five of his clients each week as the quota of calls. Mr. Compton also reviewed the family survey plan which he has used with especial success.

Following the exchange meeting, there was a discussion of the possibility of forming a local accident and health association in South Bend. Much interest was manifested in the idea and it is considered very probable that such an organization will be effected very shortly.

### Mrs. Closser with Claim Office

Mrs. Marian G. Closser has been appointed assistant manager of the A. L. Perry adjusting office in Seattle. She has been in accident and health work on the Pacific Coast for many years, as manager of the accident and health department of the National Casualty in Seattle; with the Mutual Benefit Health & Accident in Oakland and the Washington National in San Francisco. More recently she has been field supervisor of the Sunset Casualty of Olympia, in its accident and health department.

### Larry Doyle in Life Field

Larry Doyle, supervisor of the A. & H. department of Massachusetts Bonding in Los Angeles, has joined the newly organized Forest Lawn Life of Glendale, Cal., as general manager. That company, which is owned by the Forest Lawn Memorial Park Association, has been authorized to sell \$300,000 of stock, of which \$200,000 will be capital and \$100,000 surplus. Insurance would be sold through cemetery salesmen.

### Metropolitan to Underwrite Coast A. & H. Business There

NEW YORK—Metropolitan Life will after Jan. 1 underwrite its Pacific Coast accident and health business at the San Francisco head office, as has long been done with its life insurance business. R. J. Dean, who for some years has been a home office life underwriter at the Pacific Coast head office, has been familiarizing himself with accident and health underwriting in recent months at the home office in New York and will have charge of accident and health underwriting at the Pacific Coast office.

Underwriting of accident and health business at San Francisco will permit a considerable saving in time over the present method of sending applications to New York City.

### Acme Hospital New Setup

ST. PAUL—Martin H. Imm, Minnesota state agent of the National Auto Owners of Gladstone, Mich., has been elected president of the Acme Hospital & Life, which has moved its offices from Minneapolis to St. Paul. R. M. Gesell, St. Paul bank president, is vice-president and Gerhardt Imm, secretary-treasurer. The new management plans to revise the hospital setup to include surgery coverage and death benefits and will also push industrial and term insurance more than in the past. A state-wide agency system will be set up.

### Plan Chicago "Brokers' Day"

The monthly meeting of the Chicago Accident & Health Association next Tuesday, Dec. 10, will be a "broker's day," and will take the form of a quiz session on problems of brokers and branch offices in connection with accident and health insurance, with the idea of bringing about closer coordination. Jay DeYoung, Continental Casualty, will be chairman of the board of experts, assisted by Clay F. Lundquist, Fred S. James & Co.; C. T. Redfield, Mutual Benefit Health & Accident; C. S. Revenaugh, Maryland Casualty; Samuel Rockwell, Hartford Accident, and Carl Sildorf, New Amsterdam Casualty.

Each company member is expected to bring one or more brokers, under a guarantee that if they do not get at least one idea that they can use, they can get their money back.

### Suit on Hospital Policy

Already suits are being entered on hospitalization policies.

The Tennessee court of appeals had the case of Gardner vs. National Casualty before it. This policy covered hospital expenses and carried a surgical operation indemnity rider. It provided that it was not to apply to illness occurring within 30 days of date of policy. An operation was performed on the plaintiff for the removal of a cyst and the defendant claimed that it had formed within the 30-day period and that no liability was attached. The higher court holds that the plaintiff having shown her right to recover under the policy, the burden of proof is on the company to prove that the cyst was present when the policy was issued or within 30 days thereafter. The company failed in this, in the opinion of the court, and the judgment by the lower court in favor of the plaintiff is affirmed.

Joseph Zabeler has been named district manager for Manitowoc, Wis., by

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**Buckeye Union  
Casualty Co.**  
HOME OFFICE  
Columbus, Ohio

A Stock  
Company

Territory in  
Ohio and  
Indiana



North American Life & Casualty. He has been with the company since 1934, and a member of its App-a-Week Club since that time.

The Tuberculosis Hospitalization Mutual of Columbus, O., has surrendered its certificate and its license has been cancelled.

Dr. Maurice B. Rusoff of the Ohio industrial commission addressed the Columbus Accident & Health Association.

### Commissioners Give Airing to HOLC Contract

(CONTINUED FROM PAGE 7)

can secure a contract of this kind, other organizations might as well be allowed the same privilege and thus all state laws prohibiting discrimination would be wiped out.

E. I. Taylor of Hartford, attorney for the SCA, also defended the contract.

Mr. Gruhn said that from 3½ to 5 percent of the HOLC premiums were paid on behalf of distressed home owners under the old contract. The February, 1940, contract, he said, canceled this arrangement. The 1940 premiums coming from the HOLC would be \$3,000,000 and in 1941 \$6,000,000.

### L. P. Jervey in Proper Niche

In reporting the recent annual meeting of the Southeastern Underwriters Association at Pinehurst, L. P. Jervey, chairman of the executive committee, was incorrectly identified as being with Travelers Fire. L. P. Jervey is secretary in the southern department of America Fore. Charles Jervey, a brother, is an official of Travelers Fire.

G. M. Rapp, chief engineer of the Pittsburgh Corning Corporation, will address the meeting of the Pennsylvania Field Club the evening of Dec. 9, on "Modern Research in Glass and Some of Its Results." The entertainment will consist of a Monte Carlo party.

## SURETY

### Settle Pittsburgh Treasurer Case

PITTSBURGH—City Solicitor Stewart has recommended that city council accept \$100,000 in full settlement of the city's claim against the Maryland Casualty as surety for the late R. D. Schooley, delinquent tax collector and

treasurer. Mr. Schooley was bonded for \$100,000 as treasurer and \$50,000 as delinquent tax collector. He was dismissed in 1931 as a result of depository difficulties.

The company held it was not liable in any way on the \$50,000 bond, as the depository ordinance which required the city's bank accounts to be secured by surety bond did not apply to the accounts of the delinquent tax collector and, even though Mr. Schooley held both titles, the offices remain separate and distinct.

Mr. Stewart said court decisions sustain this contention.

### Weiss Is Portland President

PORTLAND, ORE.—The Surety Association of Portland has elected Ray Weiss, U. S. F. & G., president; Philip M. Lively, Bates, Lively & Pearson, vice-president; and Thor Bergstrom, Maryland Casualty, secretary-treasurer. Roy J. Norene of the U. S. immigration office, Portland, spoke on the work of the department and its relation to control of alien subversive elements. C. A. Tomassene, Commercial Casualty, is the retiring president.

## COMPENSATION

### Extend Compensation Cover; Reduce Waiting Period

BIRMINGHAM, ALA.—Alabama's workmen's compensation law will become applicable Jan. 1 to some 2,700 additional business concerns under an amendment passed by the last legislature. After that date the law will apply to all those employing eight persons instead of 16, as in the past. Only those engaged in domestic or farm service will be exempt.

The amended law reduces the waiting period during which a worker cannot draw benefits after injury from 14 to seven days. Employers not employing more than seven persons may elect to come under the law. Self-insurer provisions have been liberalized to qualify employers who have operated under the law for five or more years with no unpaid judgments against them subject to the discretion of the industrial board.

Enforcement of the law is under the division of labor, Alabama department of industrial relations. Judge J. D. Petree, the director, said that where an employer is unable himself to obtain insurance from a company qualified to do business in the state, his application will be submitted to the Southeastern Compensation Rating Bureau, which will automatically place the business. Thus every concern will be able to obtain coverage.

### Minn. Rates Cut 6.1 Percent

ST. PAUL—A decrease of approximately 6.1 percent on the manual rate basis in compensation insurance rates for 1941 was approved by the Minnesota compensation insurance board, effective Jan. 1. The loss-expense ratio was continued at 61-39. The rating bureau had proposed an overall reduction of 4.9 for 1941. W. H. O'Toole, public accountant who in the past year has initiated two court actions contesting the rates fixed by the board, has indicated he will also contest the 1941 rates.

This is the sixth consecutive decrease in Minnesota rates, with a cumulative decline of about 46 percent. The board also approved the multi-split plan.

### Missouri Reduction 5.3 Percent

JEFFERSON CITY, MO.—A new schedule of workmen's compensation rates for Missouri, carrying an average reduction of 5.3 percent or about \$355,000 a year, has been approved by Superintendent Lucas, effective on Dec. 31. The schedule approved was filed by the National Council on Compensation Insurance.

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This month the featured coverage is Fidelity, which offers you an opportunity to earn EXTRA MERITS with which you can do much of your Christmas shopping and ease up on your purse. Remember, too, you may be close to winning one of the 100 Grand Prizes and a final burst of speed may land you among the lucky 100 Indemnity Agents who will be awarded a 2-day trip to Atlantic City with hotel and transportation paid.

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Experienced adjuster and investigator for insurance claims. Must be a member of the Ohio Bar. References required. Reply with complete details in own handwriting. Address M-50, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

### Casualty Fieldman Wanted

Excellent opportunity for a casualty and surety special agent in a relatively new branch office of a National Bureau member company. Address full particulars to M-53, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

## Reach Agreement on Countersignature

(CONTINUED FROM PAGE 17)

tion to be paid to the countersigning commissioned resident agent shall be a matter of contract between the parties in interest.

The company committee consisted of E. J. Bond, Jr., president Maryland Casualty; Kenneth Spencer, president of Globe Indemnity; Manning W. Heard, vice-president Hartford Accident; James A. Hall, assistant agency secretary, Travelers; and F. A. Christensen, vice-president Fidelity & Casualty.

There is much speculation as to the ultimate outcome of the agreement. The agency body has been insistent that in any agreement, countersignature must be made by an agent working on a commission basis, thus eliminating all salaried employees.

Under the agreement all intrastate policies must be signed by a resident agent whether he be on a salary or not. It was provided that interstate policies be signed only by a commission agent. Allowing salaried employees to sign policies covering business in the state may have a repercussion on the part of agents who may feel that this will encourage the branch office system.

### Casualty Agents Confer

A committee from the National Association of Casualty & Surety Agents met a company committee Tuesday to talk over the countersignature agreement and the proposition for graduation of expense. The agency committee consisted of W. D. O'Gorman, Newark, president; Lew H. Webb, Chicago, vice-president; C. H. Burras, Chicago, secretary; C. C. Jones, Kansas City; Ralph Howe, Richmond, Va.

The company committee was headed by Secretary Sanford B. Perkins, Travelers, and representatives from General Accident, Aetna Casualty, American Surety and Maryland Casualty. So far as the countersignature agreement was concerned, the agency committee seemed satisfied. The committee submitted a proposal that where the percentage of commission was reduced on higher premiums, there should be an increase in the commission rate on the small premiums, which business requires considerable service and is not regarded as profitable.

### Guy Funk Gives Hints to Insurance Young People

(CONTINUED FROM PAGE 8)

as an aid in the development of legitimate enterprise. Research is the medium that brings us nearer to fundamental causes and origins and is an effective tool of business and industry.

"At no time in the history of fire insurance have we been on the threshold of a more important era. I challenge the preachment of recent times that opportunities no longer exist for young people. The approaches are still wide for honest ambition. I am speaking of youth of reasonable capacity and mod-

erate ambitions which seeks a glimpse of an attainable goal. What the young people of today need is perspective; a realization of the part they are to play in the years ahead, to strike the shackles from the mind and set it free from the adventures into the unknown future. Shallow and lazy people believe in luck because it is much easier to sit and wait for the lucky day to come along than to go out and work for it. Opportunity is the foresight that leads a man to take advantage of conditions.

### Opportunities Pointed Out

"The opportunities of the Business Development Office, the schools and open forums conducted by the organized agency bodies are resulting in a wider knowledge of insurance among agents and field men. Many of the examiners will agree that there is room for more improved and effective service to the policyholders. It is of equal importance that employees shall have a broad understanding of insurance and its functions. Education is one of the most important factors in a successful life but it does not consist alone of school learning. It comprises the sum total of what we know and comes or at least should come from our daily experiences. I cannot stress the value of self education too strongly. There are more facilities for self education today than in my early youth. A technical education should be supplemented by systematic reading of history, biography, science and the classics in literature to increase one's knowledge. I realize such a program will require rigid self discipline and self denial but high objectives are seldom reached without hard work and sacrifice.

### Sound Physique but Empty Heads

"The companies having the highest ideals are those recognized as the most successful because they have impressed the public with their fairness, integrity and character. In our large cities and for that matter in the smaller communities there are thousands of people with

sound physique but empty heads. They are content to accept life as a meaningless routine. It has no other value or possibilities for them. The lives of these drifters are filled with fear and envy. They have no ideals or even animal courage.

"The man who is master of his job will meet the emergencies because he knows he is equal to them but the fellow who is not sure of himself is the

one who is afraid of the future. He blames his shortcomings on others. He never blames himself. The greatest bulwark of courage is in knowing your job. The best insurance against the future is knowledge.

### Must Give Highest Service

"Every young man must recognize that his success in the fire insurance business will be in proportion to the

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## An English Lesson in SAFETY....

Four English women were fined for failure to display tail-lights on their baby-carriages during a recent black-out. The arrests were made after one of the carriages was hit by an automobile.

Amusing but sensible.

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value of the service he renders. Indifferent service simply means indifferent reward. To win high rewards he must make himself useful beyond the ordinary. No person in any business organization can succeed unless he is a team worker because the success of all large enterprises is the result of cooperation or team work. He must demonstrate his ability and aptitude to get along with his co-workers and to do anything within reason to make these associations agreeable and pleasant to further the interests of the organization as a whole. Once in a while we meet the fellow who refuses because he feels someone else will get the credit but that sort of person does not get very far. He develops the qualities of the lone wolf.

#### Impatience Impedes One's Progress

"One fault to be found in most young people who seek to progress in business is impatience, but that is a natural characteristic of the ambitious youth. The one certain way to secure promotion is to fill your present job so full that you overflow it. Insurance companies seek constantly for evidence that men are ready to accept larger jobs and one of the best methods of judging prospects for advancement is past performance. Opportunity usually comes suddenly and entirely unannounced. Your future depends about 10 percent upon available opportunities and 90 percent upon your fitness and capacity. The door of opportunity is just beginning to open for you and the time to prepare is not the day or hour when the test comes but now and through the years leading up to it.

"I do not know if in the days to come it will be an easier road but what matters is that you should desire not an easier but a better road and to equip yourselves in body and mind and spirit to create it. For it depends mainly on yourselves whether you shall be the masters of your fate."

## Annual Meeting of Commissioners Will Be in Detroit

(CONTINUED FROM PAGE 3)

Cormack, Tennessee, No. 3, Yetka, Minnesota, No. 4, Harrison, Arkansas, No. 5 and Neslen, Utah, No. 6. Some zone commissioners met since the last meeting and others did not.

#### Study Tax Inequalities

Recently there has been agitation in Baltimore for a further tax levy on insurance companies. A subcommittee of the taxation committee consisting of Gontum of Maryland, Pink of New York and Parker of Georgia, was appointed to investigate the subject of municipal tax on insurance companies.

Mr. Gontum read a statement before the convention Wednesday calling attention to the inequalities that arise when, in addition to the state tax on premiums, one is also imposed by municipalities. Not only does this inequality in taxation exist between states but such are far from uniform. The companies are helpless because it is not practicable to vary the rates charged to fit the variation in tax either between states or within a state. Assuming that the tax is ultimately reflected in premium rates and therefore borne by payers, it becomes important to ascertain whether this distribution of taxes is fairly made between the respective states including their local subdivisions. He referred to the various taxes on insurance companies, speaking of the gross premium state tax running between 2 and 2.5 percent on the average. He also spoke of the corporate net income tax imposed in 34 states and the District of Columbia. There is a franchise tax on casualty and surety companies in four states. In New York the franchise tax is in part of the premium tax. In a number of states a use tax is imposed on equipment and supplies

including forms used by field offices and agents. In some states a license tax is imposed on adjusters and on branch office managers and assistants. In some places there is a license tax on agents. He referred to municipal and county taxes.

#### Accounts Receivable Tax

Recently an attempt has been made in some states to tax the accounts receivable of casualty companies as intangible personal property; some impose a tax of 1 percent, others in varying amounts up to 4 percent. Few corporations, he said, other than insurance companies, are subject to gross receipt taxes in any state. Originally the gross premium tax was regarded as the full measure of privilege tax within the state, but there has been a gradual departure from that concept.

Reappraisal, therefore, should be made. He referred to the studies of this situation by a special committee of the American Bar Association. "It would seem to be obvious," he said, "that unless the states are willing to handle this matter of taxation in such a way as to make the burden rest equitably on policyholders, regardless of in what state they may be located, the result will be the assumption of jurisdiction over the companies by the federal government."

The committee on examinations held an executive session Tuesday morning with J. G. Read presiding. It was decided that in case a company did not operate in any state within a zone there should be no examiner participating from that zone.

C. C. Fraizer of Aurora, new Nebraska commissioner-designate, was introduced to the convention. He was president of the Nebraska Willkie clubs.

T. J. Herbert, recently elected Ohio attorney-general, was presented. He accompanied Superintendent Lloyd. McKay Reed of Louisville, former Kentucky commissioner, registered. R. L. Bowen, former Ohio superintendent, was present.

Equitable Society gave a luncheon to all hands Tuesday noon, R. J. Starrett of the president's staff being in charge. The Equitable band furnished the music. Commissioner Blackall of Connecticut at the close expressed the appreciation of those present.

A luncheon for the ladies was given at the Ritz Carlton Tuesday with Mrs. L. H. Pink, wife of the New York superintendent, in charge. There was a style show following the luncheon. Mrs. Pink extended greetings to the visiting women.

Philip Kniskern, president National Association of Real Estate Boards, was present and held conferences with the committee on real estate appraisals headed by Harrington of Massachusetts. Commissioner Apodaca of New Mexico wired regrets at his being unable to attend.

The committee on countersignature legislation with Harrington of Massachusetts as chairman submitted a proposed form. During the next two weeks anyone is invited to send in suggestions or criticisms. They will be assembled and sent to committee members. Later if any changes are made the final draft will be submitted to all members as the basis for introduction to legislatures.

The first draft leaves the countersignature commission to decision on part of the resident and non-resident agents. It provides that the countersigning be done by a commission agent resident in the locality where the risk is located. Business controlled by a broker may be countersigned by a salaried representative but no fee paid.

The report of the committee on valuation of securities is:

Resolved, that, for the submission of annual statements to the various departments as of Dec. 31, 1940, bonds not in default as to principal or interest, which are certified by the insurer submitting the statement to be amply secured, shall be deemed amply secured; provided, that they are included in the classifications described below;

(A) Bonds issued, assumed or guaranteed by the United States or the Do-

minion of Canada or any political subdivision therein, or any civil division or public instrumentality of any of the foregoing which are legal for investment by insurance companies under the laws of the respective states.

(B) Bonds rated in any of the first four grades by at least two of the recognized rating services.

(C) Bonds rated in any of the first five grades by at least three of the recognized rating services.

(D) Bonds which do not meet the tests under (B) or (C) but which are rated in any of the first five grades by two of the recognized rating services; provided, that actual sales or bid prices on such bonds reached 55 percent or higher during each of the months of September, October and November, 1940.

(E) Corporation bonds not rated, or rated by less than two of the recognized rating services, and foreign government bonds other than Canadian, may be classified under (B), (C) or (D) if they are of security equivalent to bonds in such classifications and satisfactory evidence thereof is presented. The ratings referred to herein relate to the Dec. 1, 1940 ratings issued by the following four recognized rating services: Moody's Investors Service, Poor's Publishing Company, Fitch Investors Service and Standard Statistics Company.

#### Exchange of Assets

The subject of exchange of assets was discussed. Harrington proposed a motion which was adopted to the effect that it be recommended to the commissioners that insurers be required appropriately to indicate such exchanges in their annual statements. The method of indication recommended was the abbreviation "ex" followed by a numeral in parenthesis after the description of the asset disposed of and the asset acquired. The reason for this action is to provide a means of ready check as to the correctness of the values stated when exchanges are made.

It was also pointed out by the chairman of the committee that the resolution printed on page 185 of the June, 1940 proceedings of the association with reference to the amortization of premiums paid on mortgages insured under provisions of the national housing act contains a clerical error in that reference is made to mortgages insured "in the Federal Mortgage Corporation." The words in quotation marks constitute an error and in order to correct the situation the committee adopted the following resolution which is recommended to the convention:

Resolved, that the companies be allowed to take credit for the amortized value, on a five year basis, for the premium paid on a mortgage insured under the provisions of the national housing act.

#### Jordan on Executive Group

Owing to the retirement of Commissioner Lovejoy of Maine from office his place on the executive committee was filled by election of Albert F. Jordan of District of Columbia. Gontum of Maryland advocated the formation of a bureau of information and research for the benefit of the entire body. This will enable the association to function more effectively. It should be manned by capable employees. A few years ago Palmer of Illinois recommended the appointment of an executive secretary. The main problem, President Blackall said, is to get money to meet the demand. He will address the commissioners on the subject and get their views. Blackall will report to the executive committee before the Detroit meeting so that the subject can be digested.

Harrington of Massachusetts, chairman of committee on real estate holdings, reported a series of rules governing real estate other than home office property. This has to do with valuation of property. The report was adopted. The report is:

Rule 1. In event of foreclosure of mortgage, or deed in lieu thereof on

real estate, said real property shall be valued at an amount computed as follows:

The unpaid balance of the mortgage, plus the unpaid interest on the mortgage assumed by the company to an amount not exceeding interest due for one year, plus unpaid taxes or any part thereof for one year, each immediately preceding foreclosure. The foregoing amount to constitute the book value of the real estate in the absence of an appraisal made within one year. If an appraisal, made by an independent qualified appraiser, is available, and if the appraised value be less than the value as computed above, the appraised value shall then become the book value.

Rule 2. If real estate is owned by the company for five years, and no appraisal has been made since acquisition, a competent, independent appraisal may be secured to determine the value of such real estate for future holdings. Such appraised value, if less than a previously determined value, shall supplant same provided the commissioner of insurance is satisfied as to competency of the appraiser. In no event shall the value be greater than the unpaid balance of the mortgage, exclusive of interest and taxes.

#### Annual Depreciation

Rule 3. Buildings, which have been repossessed by an insurance company through mortgage foreclosure or otherwise, shall be depreciated not less than 2 percent annually. Further justifiable depreciation or appreciation of buildings may be allowed by the commissioner for reasons which he shall set forth.

Rule 4. Before extension for holding real estate is granted, the commissioner shall make inquiries to determine the ways and means employed by the company to dispose of the real estate and may grant such extension as he deems necessary for the purpose of conserving the assets of any company.

Rule 5. If any of the foregoing rules are in conflict with any of the statutes of any state, the statute shall prevail.

Rule 6. If a reserve has been established for the depreciation of real estate, such reserves should not be reduced until conclusive evidence has been presented to the commissioner justifying such reduction. It is desirable that individual parcels of property be marked down as soon as possible in order that reserves for depreciation may be modified and ultimately eliminated.

Rule 7. If a mortgage loan has been outstanding for 10 years without payment on principal, an appraisal should be made by an impartial, independent appraiser.

#### Cut Auto Rates in Texarkana, Ark.

The National Bureau of Casualty & Surety Underwriters has published new automobile liability rates for Miller county, Ark., which includes Texarkana. The rates affect private passenger and commercial cars, and amount to about a 10 percent reduction, except for class 5 trucks, where the heavy, medium and light premiums have been raised from \$56, \$42 and \$28 to \$58, \$43 and \$29 respectively. For private passenger cars, the premium for class A-1 has been reduced from \$16.50 to \$15, class A from \$17.60 to \$16 and class B from \$22 to \$17.

#### Fresch With Trinity Universal

Charles Fresch, Jr., has joined Trinity Universal as special agent in eastern Pennsylvania. He has been with Great American Indemnity in the same field.

#### NEWS BRIEFS

President Lynn P. Marsh of the Bay State Club addressed the Ryer, Mass., board of trade on direct writing mutual company competition.

Mrs. Wilbur Gardner, wife of the veteran Kansas state agent of the National of Hartford, is seriously ill in a Wichita hospital.

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Agree on Redraft of Mo. License Bill After Hearing

JEFFERSON CITY, MO.—The hearing conducted by the Missouri department on the proposed agents' licensing bill was attended by a representative group, in spite of a snowstorm. Represented were the St. Louis Board of Underwriters, Kansas City Insurance Agents Association, Missouri associations of both life underwriters and insurance agents, and the St. Louis real estate brokers group. Charles Harvey, assistant counsel for the department, presided, and agreed to redraft the proposed bill on the basis of conclusions reached at the hearing. This redraft will be sent those attending the hearing, after which each group is scheduled to take up and discuss the bill. Mr. Harvey then will act as a clearing house for suggestions of all the groups.

It was generally agreed that the proposed bill is being handled with an intelligent approach, well in advance of the meeting of the legislature in January, with all groups threshing out differences before the bill goes to the law-making body, rather than after.

### Council Bluffs School Insurance Causes Row

COUNCIL BLUFFS, IA.—Ivan Cohoe, a member of the Council Bluffs school board for the last 11 years, resigned his position in an extraordinary session over insurance coverage in which Cohoe stated he was "aggravated by the accumulation of the discussion and was resigning because this insurance business is too deep for me."

Twenty-seven local agents attended the special meeting at which fire coverage of \$497,000 was to be awarded. Action, however, was deferred, with the matter referred to the building and grounds committee for further study. Insurance on boiler rooms, however, was awarded to the E. R. McDonnell Company, which also held a 60-day binder on the fire business.

The agents protested a resolution which was adopted limiting the fire coverage to companies showing a five-A rating by A. M. Best.

Don W. Rhoads, representing the Federal Hardware mutuals, charged that the board had placed business with McDonnell without exact figures and that the school board president attempted to get the insurance commissioner to permit the school board to be a party to an illegal contract.

### Insurance Interests Unite on Neb. Legislative Program

LINCOLN, NEB.—For the first time insurance interests of the state have united in preparing and backing a legislative program. However, to avoid provoking any suspicions that their motives are based on self-interest, members of the legislative committees will function only as advisers when their opinions are asked and when proposals are before committees. The nucleus of the program will be the dozen or more bills that were approved in committee at the 1939 session but which were lost in the legislative jam at the end of the session.

One of these, regarded as of prime importance, forbade the licensing of assessment companies of all kinds, except farm mutuals. Another would restrict burial associations to writing only lim-

ited burial policies, and bar them from writing life insurance because of inadequate requirements of the law. Another would bring mail order and radio broadcasting insurers under Nebraska court jurisdiction by making the insurance director agent for service. Still another aimed to require mutual companies to possess adequate reserves.

### Rhode Island Goes on Board Basis in Cincinnati

CINCINNATI—The Rhode Island, which has operated on a non-board basis locally for about two years, has entered the Thomas E. Wood and Eureka-Security agencies. It will operate on a board basis hereafter, which it is doing generally over the country as a whole.

The Rhode Island has been represented previously in the following agencies: Stanley Spragens, F. E. Plogman, Insurance Service Agency, D. G. High & Co., Gunther, Looker Co.

### Launch Course in Ann Arbor

DETROIT—A fire insurance course for active agents and agency employees has been organized in Ann Arbor under the auspices of the Ann Arbor Association of Insurance Agents, with H. Thompson Stock, stock agency, Detroit, chairman education committee Michigan association, as instructor. Mr. Stock is using his own text, which he developed in connection with the two Wayne University courses he teaches for the Detroit association. Forty students have enrolled, including agents from Monroe, Ypsilanti and other nearby communities. The Ann Arbor course meets each Monday night for sixteen weeks.

### Analyze Mich. Hotel Coverage

DETROIT—A complete analysis of fire, casualty and surety coverage carried by Michigan hotels and the rates paid for such coverage, service rendered by the companies, etc., will be undertaken this winter by the Michigan Hotel Association's insurance committee under Chairman A. J. Newman, Webster Hall, Detroit.

The purpose is to correlate the various factors as they apply to hotels of differing sizes in different communities and to offer suggestions to those found paying too high a premium rate compared to other hotels under similar conditions that will help them to secure lower rates.

The insurance committee will work closely with the safety committee, which is conducting an intensive drive to lower the accident rate in hotels to secure a better experience rating on workmen's compensation.

### J. H. Reed Life Unit Manager

James H. Reed has been appointed manager of the life department of the Fagan-Newell-McQueen Agency in Racine, Wis., which is general agent of Lincoln National Life. Mr. Reed is a life-long resident of Racine. He entered life insurance four years ago with Equitable Society after having been in accounting work for more than 10 years.

### Latchem Likely to Be Retained

TOPEKA—Commissioner Hobbs of Kansas was named for his seventh term by the largest vote of any candidate for state office, defeating his Democratic opponent 446,525 to 333,362.

While the governorship is being contested in the courts, the official count

gives Governor Ratner, Republican incumbent, 430 majority. Governor Ratner's apparent return to office will mean that State Fire Marshal Latchem will be retained in office. Mr. Latchem reestablished the office two years ago and has been handling its affairs in a most efficient and satisfactory manner. His retention is regarded by insurance men as most desirable.

### Duluth Seeks University Course

DULUTH, MINN.—A movement is under way to give Duluth insurance workers, insurance buyers and others interested in insurance the evening course that for several years has been provided at the University of Minnesota in Minneapolis. It is understood the university authorities are willing to extend the service to Duluth and nearby towns if 25 or more sign up for it. The Duluth Underwriters Association is making a survey to ascertain how persons would take the course if offered.

Last winter the Duluth association conducted a course that was especially well attended. The university course would be broader than that previously provided.

### Tom Collins to Speak in Wichita

Tom Collins, Sunday editor Kansas City "Journal-Post," will speak at the Christmas party of the Wichita Association of Insurance Agents Dec. 19. A. E. Smoll, past president, is again in charge of arrangements. All office employees will be guests, along with public officials of the city, county, school board and regents of the University of Wichita, insurance for which is handled by the Wichita Board. An attendance of 300 or more is expected.

### North America Office Expanded

CINCINNATI—Attractive new and larger quarters have been occupied by the Cincinnati service office of North America at 1525-1530 Carew Tower. V. L. Montgomery is manager. The indemnity of North America claim office is now quartered in adjacent space with J. M. Buck, formerly in the Philadelphia downtown office, as manager.

### Kansas Committee Meets Dec. 10-12

Dec. 10-12 have been selected as tentative dates for the meeting of the executive committee of the Kansas Association of Insurance Agents in Topeka. Organization plans for the year, committee appointments and legislative matters head the agenda. Edwin Nellis of the Nellis Agency, Topeka, is chairman.

### Fitch Heads Lawrence Board

T. E. Fitch has been named president of the Lawrence (Kans.) Insurance Board and Miss Rosa Robinson of the Glenn Charlton agency secretary-treasurer. The board also serves as the insurance bureau of the Lawrence chamber of commerce.

### Limit Fire District Levies

LINCOLN, NEB.—Attorney-general Johnson has advised county authorities that the law passed at the last session providing for tax levies for support of rural fire districts limits the indebtedness to the amount which three annual half-mill levies will produce, even if that is less than \$2,000 and the sum thus produced will not purchase necessary adequate equipment. He says the law is not clear, other than its intent is to limit expenditures for equipment to \$2,000.

### W. S. Gordon Correction

W. S. Gordon of Slaymaker-Merrell & Locke, attorneys at Indianapolis, calls

attention to an error that was made in reporting his address at the annual convention of the Indiana Association of Insurance Agents. The statement read: "In Indiana, there is a legislative enactment making municipalities liable for injuries resulting from accident due to operation of motor vehicles." Mr. Gordon said that there is no such statute in Indiana and, of course, he did not make the statement.

### To Hear Schraffenberger

CINCINNATI—L. F. Schraffenberger, fire marshal bureau of fire prevention, will speak at the meeting of the Cincinnati Fire Underwriters Association Dec. 12. He will show pictures of fire prevention activities. The annual Christmas party is scheduled for Dec. 23.

### May Transferred to Springfield

Fred L. May, Salina, Kans., manager of the Underwriters Adjusting, has been transferred to Springfield, Mo., as manager and is succeeded at Salina by J. E. Nelson. Mr. May, for some years staff adjuster in the Wichita office, opened the Salina office the first of the year.

### Kridler Speaks in Toledo

TOLEDO, O.—Paul W. Kridler, Fremont, president Ohio Association of Insurance Agents, addressed the Toledo Association of Insurance Agents, discussing various activities of the state association.

### Kountze Interests Bought

M. W. Besack, E. H. Dahlgard, E. F. Anderson and J. K. Morrison have purchased the interests of Denman Kountze, junior partner in the general agency of Morrison & Kountze, Omaha, which will hereafter be known as Morrison & Co. Mr. Morrison will be president, Mr. Besack and Mr. Anderson, vice-presidents; Mr. Dahlgard, secretary-treasurer, and Frank Butterworth, assistant secretary.

Mr. Besack, Mr. Dahlgard and Mr. Anderson have been associated with the general agency for an average of 20 years. Earl Woods will continue as state agent for Kansas and Frank Butterworth as manager, casualty and surety department.

### Minn. Farm Mutuals to Meet

ST. PAUL—The annual meeting of the Minnesota Association of Farmers Mutual Insurance Companies will be held here Jan. 9-10. Speakers will include Commissioner Yetka and Garfield W. Brown, former commissioner and now with the American Mutual Alliance, Chicago.

### Hints of Female Rebellion

The Milwaukee "Journal" the other day carried a feature story about the attractive new office building of Franzen & Franzen, Inc., real estate and insurance. Marie Franzen is president, Gertrude Franzen is secretary and Katherine Brierton, vice-president.

The story is written in cute vein and includes this reference:

"But this story is not all peaceful. There is a nigger in the woodpile and the woodpile is the Milwaukee Board of Fire Underwriters which doesn't want women on its board, so the girls can't be fire underwriters."

"The board says it this way in its by-laws: 'A local agent to be a member of the board must be a male citizen.'"

Further on the Milwaukee "Journal" states that one of the directors of Franzen & Franzen is Ida Luick, who is a lawyer, and states "that it would not be at all surprising if Lawyer Luick

one of these days smoked the nigger out of the woodpile."

## NEWS BRIEFS

The National Protection Assurance, St. John, Que., has been licensed to write fire insurance and allied lines.

Toys and games were the admission fees for the Christmas party of the Insurance Women of Milwaukee Dec. 2, with Margaret Nukow as chairman.

The two-story office building of the Allen-Hartzell-Dibble Co., Wadsworth, O., was destroyed by fire.

Miss Bernice Burkett, Wichita attorney, spoke at the Dec. 3 luncheon meeting of the Insurance Women of Wichita. A Christmas party will be held Dec. 17, "bosses day" in February and an "insurance dance" Feb. 24, to which all members of the Wichita Association of Insurance Agents, Sunflower Blue Goose puddle and others connected with stock company organizations and their ladies will be invited.

The Burlington (Ia.) Insurance Women's Association will hold its first Christmas party Dec. 20. E. C. Cady, local agent, showed colored motion pictures taken on his recent hunting trip in Canada at the November meeting.

J. Burr Taylor, Western Actuarial Bureau, Chicago, addressed the junior firemen's group at Sebring, O.

The Toledo office of the Ohio Inspection Bureau has completed the rerating of Port Clinton. New rates will be published about Dec. 11.

O. R. Schlaebitz, trust officer of the First Trust Company of Lincoln, Neb., one of the largest insurance agencies in that section, has been elected secretary, succeeding F. R. Easterday, retired.

R. D. Voss, district manager the Stock Company Association, addressed the

newly formed Lincoln, Neb., Insurance Women's group. L. C. Knapp, manager Great American Indemnity speaks Dec. 12. Helen Ledwich, Ivan Devoe agency, is president; Augusta Baegl, A. W. Miller agency, vice-president; Nora Bowes, Travelers, secretary, and Vivien Rouse, Lancaster Corporation, treasurer.

H. J. Manning, Ohio Inspection Bureau, spoke before the division of adult education of the University of Akron on "The Why of Fire Insurance Rates." In his audience were city firemen, waterworks employees and employees of industrial plants who have to do with fire-fighting.

A. T. Cavanaugh, local agent of Wayne, Neb., is in Methodist Hospital, Omaha, as a result of injuries suffered in an automobile accident. The driver of the truck that was involved in the collision was killed.

Raymond Grider has opened a new local agency in Indianapolis. He is a brother of H. L. Grider, manager Western Factory Association, Chicago, and has had an automobile sales agency in Indianapolis for 17 years.

George H. Bender, Cleveland, president of George H. Bender Co. agency, former Ohio state senator, was elected congressman-at-large from Ohio on the Republican ticket. J. F. Cantwell, Youngstown, O., agent, was elected state senator from Mahoning county on the Democratic ticket.

Donald W. Johnson, formerly with the HOLC in Omaha, has been named as manager of the F. G. Johnson Co. agency, Council Bluffs, Ia., operated by his father.

Tom Irvine of Galva, Ia., has been appointed manager of the Ida Underwriters Agency, Ida Grove, Ia., succeeding John Plor, who has moved to Rock Rapids, Ia. Mr. Irvine formerly operated an agency at Galva.

George E. Myers & Sons Co., Toledo, O., has acquired all the assets of the Hodge & Weil agency there.

Union. The advisory bureau rate is .082. Business is written under reporting form. Six agencies submitted bids, four quoting bureau rates and two less than bureau rates.

## La. Insurance Commission Now Has a Quorum

NEW ORLEANS—Frank E. Rainold of New Orleans has been appointed a member of the Louisiana insurance commission. He is the second member to be appointed since July 31 when the three former commissioners resigned by request. J. Blaine Cotter, local agent of Lafayette, was the first appointed. A third member is yet to be named.

Mr. Rainold attended Tulane University and graduated from Cornell. He has been with the Rockwood Sprinkler Company since 1922 and is now manager of the southern district.

With the appointment of Mr. Rainold, the commission, which has been dormant since July 31, will have a quorum and be able to function. It must pass on all references from the Louisiana Rating & Fire Prevention Bureau and will find an accumulation of work.

## Terminal Hotel Claims Settled

ATLANTA—Claims growing out of the Terminal Hotel fire here in May 1938, totaling \$500,000, were settled for \$24,000, under agreement and consent verdicts. There were 27 death claims, two for serious or permanent injuries and the remainder for lesser injuries.

Under a plan worked out by a lawyers' committee, the death claims were settled for \$781 each. Like amounts were awarded in the two claims for serious injuries. The remainder of the claim awards were from \$50 to \$200, depending on the seriousness of the injuries.

Judgments in all the cases were signed by Judge Hugh M. Dorsey.

## Jordan Agency Observes 30th

The Jordan Agency, Sylacauga, Ala., celebrated its 30th anniversary under the direction of J. Ed Jordan. City-wide honors were paid Mr. Jordan who has given much of his service to the community as city clerk, member of the board of education, as alderman-at-large and as mayor. For 15 years he was an officer of the Alabama Association of Insurance Agents.

The Jordan agency is really 52 years old, as it was founded in 1888 by W. J. Cannon, who later sold it to W. O. Peace and M. W. Peace. Mr. Jordan bought the business in 1910. J. Ed Jordan, Jr., has been connected with the firm for four years.

## D. G. Egan with Richards

NEW ORLEANS—D. G. Egan, formerly with Emery & Kaufman, has gone with the Otto L. Richards general agency. Mr. Egan had his early training with the rating and audit departments of the Louisiana Rating & Fire Prevention Bureau.

## Hartson Gets Reserve for La.

Hartson, Inc., New Orleans, has been appointed general agents of the Reserve of New York for Louisiana.

## Call Off Mississippi Meet

The mid-year meeting of the Mississippi Association of Insurance Agents, which was scheduled for Dec. 6, has been indefinitely postponed.

## NEWS BRIEFS

W. W. Leigh of L. B. Leigh & Co. agency, Little Rock, was married to Mrs. Edith Dale Rayner at Augusta, Ark.

Julius Bergfeld of Tyler and not H. T. Hyams of Longview was nominated for regional vice-president from District

8 of the Texas Association of Insurance Agents at the regional meeting at Longview. Mr. Bergfeld will succeed Lawrence Skipper after the annual meeting in 1941.

ancel Earp, Oklahoma City local agent, is chairman of the policies and projects committee appointed by the Oklahoma City chamber of commerce to formulate recommendations for its 1941 program.

The L. M. Thompson agency, Clarksville, Ark., has been sold to Arml Taylor. Mr. Thompson is retiring because of ill health.

# IN THE SOUTHERN STATES

## Arkansas All Set for Mid-year Dec. 10

LITTLE ROCK, ARK.—Two features which have proved popular and informative in preceding years will be retained by the Arkansas Association of Insurance Agents for its mid-year meeting Dec. 10. Leonard Steidel, Little Rock business man, will discuss insurance from the buyer's standpoint and John W. Ricks, Arkansas manager North British & Mercantile, will lead an "Information Please" forum.

Lea McClelland, Baton Rouge, manager Louisiana Insurance Society, will tell "How Company Men Can Best Assist the Association."

Attendance at mid-year meetings has increased steadily and officers expect a large enrollment, due in part to the opportunity for discussion of the new workmen's compensation act.

President L. H. Derby, Warren, will preside. Speakers include: "Agency Advertising," Robert Maxwell, F. W. Offenhauser & Co., Texarkana; "Automobile Insurance, Comprehensive Public Liability and Property Damage," Albert Alexander of E. B. & F. R. Bloom, Pine Bluff; "Agency Systems," John Baltz, L. R. Martin Agency, Poca-hontas; "One Way for Agents to Inform Their Assureds," S. W. Creekmore, Fort Smith; and "Workmen's Compensation," Thomas T. Wilson.

An executive session will conclude the gathering.

## Virginia Association Will Hold School in Norfolk

Plans for a six-day insurance school in Norfolk in cooperation with the extension division of the College of William & Mary were announced at a meeting of the directors of the Virginia Association of Insurance Agents in

Charlottesville by B. B. Burroughs of Norfolk, president of the Virginia association. The school will be sponsored by the Norfolk association and will be held early in the new year.

President Burroughs said the Virginia association is functioning well, with all committees actively at work. Three additional regional meetings will be held after the first of the year, one in the southwest, at either Bristol or Wytheville; one in the Piedmont area in either Richmond or Petersburg, and one for eastern Virginia either in Newport News or Norfolk.

## Discuss Personal Property Floater

One of the subjects discussed was whether the writing of the personal property floater policy should be authorized in Virginia. Some of those present expressed themselves in favor of it, while others voiced opposition. The question was left open for further discussion. It was brought out that such a policy is now written in 32 states. There was some discussion of the wind-storm and extended coverage policy as well as other matters covered in reports of committees including the proposed assigned automobile liability and property damage plan. George A. Peery, statistician of the Virginia department, has been working for some time on an assigned risk plan and will hear from a special committee on the subject at a meeting in his office Dec. 10.

Twelve of the 13 members of the board were present, together with several members of the Charlottesville board, including Fritz Souder, president.

## Moss Agency Gets Cotton Line

NEW ORLEANS—The Hartwig Moss Agency has been awarded the fire insurance on cotton stored in the warehouse of the board of commissioners of the port of New Orleans. The Moss agency quoted a rate of .041 and has bound the business in the National



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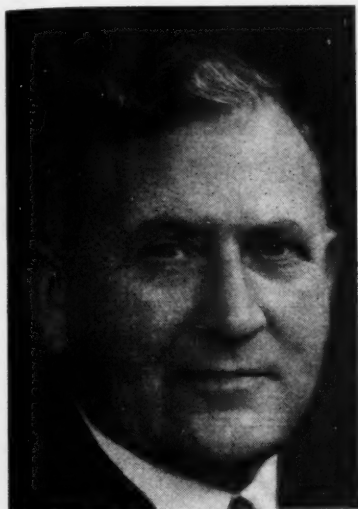
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## PACIFIC COAST AND MOUNTAIN

### C. A. Colvin, Veteran, Retires; Williams Successor

Charles A. Colvin, Pacific Coast manager of Providence Washington, Boston and Old Colony and National Union, a



CHARLES A. COLVIN

fire insurance veteran of 51 years, is retiring at the end of the year. His successor will be George P. Williams, who has been assistant manager of the office for two years.

Mr. Colvin was elected vice-president of the Pacific Board at the annual meeting this spring, thus being placed in line for the presidency in 1941. However, it is assumed that his election will not take place under the circumstances.

Mr. Colvin is a native of San Francisco. Much of his early fire insurance experience was obtained as California special agent of Phenix of Brooklyn. For 10 months he handled adjustment of losses following the San Francisco earthquake and fire in 1906. He later went into the mountain field for Phenix and after that served as Indiana state agent. Subsequently, he became Ohio state agent for Fidelity-Phenix and later was appointed superintendent of agencies at Portland, Ore., by Caledonian.

In 1920 he became assistant manager of the Providence Washington-Boston office and succeeded to the managership in 1922. National Union entered the office in 1934. He has been active in affairs of the Pacific Board for many years.

Despite his long years of service Mr. Colvin retains a youthful appearance and physical health.

### Beazley, Phoenix; Ryman, Great American Manager

SAN FRANCISCO—Frank C. Beazley, former secretary of the Minneapolis Fire & Marine, is the new Pacific Coast manager of Phoenix of Hartford and Herbert Ryman, secretary Great American, is its new manager on the Pacific Coast, as the two groups establish their own separate departmental offices in San Francisco, Jan. 1. They succeed Clifford Conly, who retires as manager of the two groups after 43 years of service.

Harry L. Simpson, who has been associate manager with Mr. Conly for the joint office, becomes associate manager with Mr. Beazley in charge of the Phoenix organization. Paul Wilson, a graduate of the home office at Hartford, will be assistant manager in charge of southern California operations with head quarters in Los Angeles.

On the Great American side Mr. Ryman will have E. D. Petrie, a veteran of the Coast office, and Percy P. Lynch, formerly assistant secretary at the head office, as his assistant managers. Later this month they will announce a re-alignment of the entire field organization with several additions—several of whom are coming west from eastern territory. Mr. Ryman who has been with Great American many years has been in the Coast office since last spring in anticipation of the change.

Mr. Ryman has been a secretary of



FRANK C. BEAZLEY

Great American five years. He joined that company in 1923, previously having

been connected with the old Reinsurance Bureau of New York. He was appointed assistant secretary in 1934. He is native of Milford, Pa.

Mr. Lynch was educated at the University of North Carolina and joined Great American in 1922. He served as special agent in Virginia and North Carolina for several years and then became agency superintendent at the home office. He was made assistant secretary in 1937.

### Denver Agents Work Out Housing Project Plans

DENVER—Final plans for the handling of some \$700,000 of insurance on the government's new low cost housing projects here were drawn by the Denver Association of Insurance Agents at its monthly meeting.

The business will be divided up into 10 policies of \$70,000 each, the first two of which are being written immediately for five years each. The next two will be written for four years, the third set of two for three years, the fourth set for two years and the last set of two for one year. All of these policies will be renewed on a five-year basis.

Max Schayer and John Settle were selected to write the first two policies as representatives of the association. Eight other agents will write the additional policies later on. The commissions involved will be turned over to the association, probably to be kept in the treasury for future association work and for the purpose of entertaining the National Association of Insurance Agents if that body decides to hold its 1942 convention in this city.

The plan was worked out by a committee composed of Douglas Hill, chairman; Edward Udry and Charles Schoelzel. Mr. Schoelzel is president of the association.

### Perk Names New Directors of California Association

SAN FRANCISCO—New directors of the California Association of Insurance Agents appointed by President Harry Perk, Jr., are: Laurence Canfield, Santa Cruz; H. A. Drinkwine, Inglewood; W. H. H. Pilcher, Whittier; W. A. Reynolds, Auburn; J. A. Henderson, Santa Ana, and F. A. Dougherty, Lodi. Holdovers are: F. L. Adams, Fresno; R. E. Bach, San Diego; L. J. Brandt, Bakersfield; Neal Harris, Oakland; H. W. McGee, Los Angeles, and Brooke Sawyer, Redlands.

President Perk, H. H. Hendren of Sacramento, vice-president; C. W. Carpenter, Petaluma, secretary-treasurer; and H. I. Callis, national councillor, are ex-officio directors. The board will hold its first meeting at the association headquarters in Oakland Dec. 7-8. Among the matters to come up will be selection of the 1941 convention city.

It is planned to follow the procedure established the past year, when one day of the board meeting was given over to

purely executive conferences of the board, the second day being devoted to meetings at which special agents and company representatives are invited to sit in.

### Larson Made Portland Manager

H. B. Larson has been appointed manager of the Portland, Ore., office of Seeley & Co., succeeding W. E. Schiffer, resigned. Mr. Larson has been with

### Dog—The Friend of Man



THE ENGLISH SETTER

English Setters are characterized by long but "flat," silky coats. Their faces are as a rule very gentle and full of expression.

In olden times game was often netted rather than killed by gun or bow and arrow. The dogs were taught to point the birds and then to crouch or "set" so that the net might be thrown over and beyond them without interference. From this was derived the term—"setter."

English Setters have won special favor as hunting dogs because their spotted white coats make them easier to discern against the autumn hues of russet browns and deep woodland shadows, than the solid red Irish Setters or black and tan dogs. Hunters can pick out the English Setters easily and thus more quickly get in a position for a good shot at the game.

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Seeley & Co. in various capacities since April, 1929, and for the past six years has been special agent working out of Portland.

### Revise Dwelling, Rental, U. & O. Rules in Washington

Amendments to the rules of the Washington Surveying & Rating Bureau as of Nov. 28 include mandatory use of the new dwelling form, which includes a civil authority clause applying to rent insurance. This clause will also be used on the other standard dwelling forms. The \$100 deductible mandatory inherent explosion clause for public service properties has been revised to include artificial or natural electrical disturbance immediately preceding and causing explosion. The monthly average provisional reporting form may now be used on all risks except oil (other than mineral) in tanks and vegetable oil mills and cotton in gins, warehouses, compresses and yards. Excepted risks may be insured on a reporting basis only under Form No. 3 on the weekly average value basis.

The average clause has been substituted for the old limit of liability clause in rental income forms and special civil authority clauses have been incorporated. The table of rates for rental income to indicate average clause percentages has been adjusted. Government reclamation and irrigation district properties have been made ineligible for pro rata term policies.

#### New U. & O. Forms

The "specified time" use and occupancy forms for mercantile and manufacturing risks have been changed to provide that period of suspension for which loss is payable shall be a stipulated percentage of 365 days, regardless of the operating methods of the risk. The old forms specified a percentage of 250, 300 and 365 days, depending upon whether the assured operated five, six or seven days a week.

Use and occupancy rules have been changed to classify ice factories as mercantile risks and radio broadcasting stations and public telephone exchanges as manufacturing risks.

#### Confer on Oregon Problems

SAN FRANCISCO — The contact committee of the Oregon Insurance Agents Association met with the Oregon conference committee here to discuss phases of the business affecting Oregon. The Oregon association committee included Mark Goldy, Medford, president; Harry Hollister, Portland, executive committee chairman; Leslie Wadsworth, Salem, chairman legislative committee; and Claude Nasburg, Marshfield. Also in attendance were C. A. Mansfield, president Insurance Exchange of Portland; T. B. Thompson, North British & Mercantile, president of Oregon division Special Agents Association, and Manager C. F. Wagner of the Oregon Insurance Rating Bureau.

#### Carpenter to Address Forum

SAN FRANCISCO—S. L. Carpenter, Jr., manager Pacific Board, will speak at the annual banquet of the Fire Underwriters Forum Dec. 10 on "Is Our Business Worth Defending?"

At the last meeting H. W. Semmel-meyer, public relations manager Pacific Board, spoke on problems of local agents. He discussed declining public

confidence in insurance, loss of income by agents, the need of a standard method of cost accounting by agents, and salesmanship. He also suggested that the "board" agents in California develop separation for casualty business in the same manner as in fire business. This, he said, would bring about stability of rates. Resolutions were adopted pledging support to the insurance group in the Credit Managers Association of Central-Northern California.

#### Announce Colo. Appointee Soon

DENVER—The state civil service commission announces that the papers in the examinations for insurance commissioner have been graded and that the name of the permanent appointee probably will be announced to the applicants by Dec. 10. A 10-day appeal period will be allowed to elapse before the commission's selection is made public.

#### Blasen to Pendleton, Ore.

PORTLAND, ORE.—J. D. Blasen of the Portland office of Fire Companies Adjustment Bureau has been appointed branch manager at Pendleton, Ore.

## EAST

### Kaler, Carney, Liffler & Co. Name Two New Partners

BOSTON—The admission of two new partners in Kaler, Carney, Liffler & Co., Boston, is announced by J. H. Carney, senior member of the firm. A. D. Cronin, well known broker, and F. J. Connors, head of the F. J. Connors Agency, will become associated with Mr. Carney, Charles Haas and A. S. Nelson.

Mr. Cronin started with the Travelers in 1907 in Boston. He went with Kaler, Carney, Liffler & Co. in 1913 and served six years in the agency of which he now becomes a partner. From 1919 to 1927 Mr. Cronin was associated with Jerome & Scheurer, after which he formed his own brokerage firm. Mr. Cronin is a director of the Insurance Brokers Association of Massachusetts and of the Associated Insurance Agents & Brokers, and a past president of the Insurance Society of Massachusetts.

Mr. Connors began business with Burnes, Morrison & Yeaton in Boston in 1916, was with Mr. Morrison alone from 1919 to 1921 and beginning with 1921 spent two years in the Kaler, Carney, Liffler & Co. agency. He was with the Morris Rosenberg agency from 1923 to 1932 when he formed his own agency. He is on the executive committee of the Boston Board.

#### Pearl Opens Newark Office

Pearl has opened its own office in Newark for the supervision of northern New Jersey. George P. Albiez, who has been connected with the M. D. Hess general agency, has been made manager.

The Hess agency which has heretofore

handled Monarch Fire and Eureka Security F. & M., will no longer do so.

There will be no change in operations except that Monarch and Eureka agents will now be direct reporting. The company does not intend to do a direct or counter business.

Mr. Albiez started with the Newark branch of National Liberty. Later he was connected with American. For the past 14 years he has been with the M. D. Hess Co.

### Many Educational Projects Sponsored in New England

BOSTON — Extensive educational work is being sponsored in New England, far surpassing anything before attempted. The state agents' associations in New Hampshire, Vermont, Rhode Island and Connecticut have set up courses for their members. The Rhode Island course of 15 Monday night lectures starts early in January.

In Massachusetts a short course school has been set up jointly by the Massachusetts department of education, university extension, and Massachusetts State College. It is open to all New England agents and will be conducted on June 10-12.

D. N. Handy, librarian Insurance Library Association of Boston, in collab-

oration with a committee of the American Bankers Association is setting up a course covering fidelity, casualty and surety lines for the benefit of senior executives of Boston banks which will consist of 12 lectures, starting on Jan. 15 and running weekly.

#### Falls to Address N. J. Realtors

At the insurance session of the New Jersey Association of Real Estate Boards convention this week in Atlantic City, L. E. Falls, vice-president American of Newark, will be the principal speaker. Harold E. Taylor, sales promotion manager of the American group, has written a song, "What Do We Know About Real Estate?" dedicated to the realtors.


#### New Jersey Women Meet


M. W. Mays, director of the Business Development Office, addressed the Insurance Women of New Jersey at their monthly meeting in Newark. Ada V. Doyle of the Doyle Agency, Caldwell, president, was in charge. Ann E. Ritchie, Zester agency, Paterson, chairman of the ways and means committee, had a conference following the business meeting to complete plans for the supper dance which is to be held in Newark, Dec. 13. Claire E. McCurry, 45



A. D. Cronin

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Theodore De Witt, President • R. F. Marsh, Vice-President

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Church street, Paterson, is chairman of the publicity committee.

### O'Gorman to Conduct Forum

NEWARK—At the dinner-meeting of the Essex County Insurance Agents Association Dec. 10, an open forum on the "Eleven Point Program of Relation of Company and Agents" will be conducted by W. D. O'Gorman, president National Association of Casualty & Surety Agents. H. D. Holmes, former president of the New Jersey Association of Underwriters, will discuss the "New Jersey Pledge."

### New Providence Mutual Officers

PROVIDENCE, R. I.—The American Motors Mutual of Providence has elected H. P. Abromson president and Onne Abromson as treasurer. They are president and secretary respectively of the Pioneer Mutual of Cambridge, Mass. American Motors Mutual was chartered in 1916 and resumed business in 1937, writing fire, inland marine, automobile fire and allied lines.

### May Change New Jersey Name

NEWARK—At the mid-year meeting of the New Jersey Association of Underwriters in Asbury Park, March 12-13, the members will be requested to vote on changing the name of the association to the "New Jersey Association of Insurance Agents," in accordance with a recommendation made by the National Association of Insurance Agents. In all probability local associations in New Jersey which do not carry the "insurance agents" title will also make a similar change.

### South Shore Board Meets

QUINCY, MASS.—The South Shore Board of Insurance Underwriters, recently organized, held its first regular meeting here. Speakers were E. S. Cogswell, first deputy commissioner, on "Part-Time Agents," and Secretary A. H. Clarke of the Massachusetts Association of Insurance Agents.

### Pittsburgh School Starts

PITTSBURGH—The insurance school sponsored by the Insurance Club of Pittsburgh with the cooperation of other local insurance groups opened Monday. The instructor the first night was A. Blumenthal of Benswanger, Hast & Herzog, on "History, Structure and Function of Insurance." C. H. Bokman, New Amsterdam Casualty, presents "Insurance Carriers," Dec. 5.

Fairfield & Ellis of Boston entertained over 500 guests the past week at the opening of newly enlarged quarters occupying two floors at 99 Milk street.

### Foster Made Fire Manager

Edmund Foster, who joined the American Home Fire of New York at its Canadian head office in Montreal as fire underwriter a few weeks ago, has been promoted to fire manager of that company and the Canadian Home.

### B. C. to Pay Fire Marshal

VANCOUVER, B. C.—By a bill introduced in the British Columbia legislature, the provincial fire marshal is to be put under complete financial control of the government. While the fire marshal has always operated as an official of the government, he was paid by voluntary assessment on the fire companies. The new move is the outcome of a suggestion in government circles that the companies might be able to influence him, if they wished.

### Revive Paper Mill Mutual

BOSTON—Officers and directors of the Paper Mill Mutual of Boston, established in 1887, and reinsured in the Boston Manufacturers Mutual last December, voted to establish a guaranty capital of \$200,000 and perform the other necessary legal steps to enable it to resume business at once. M. B.

Dalton, formerly president of the Paper Mill Mutual and president of the Boston Manufacturers, is expected to continue in that office and other principal officers will presumably remain the same. The company had insurance in force of some \$113,000,000 when it operated as one of the Factory Mutuals. In its new steep it will operate in the general field, similar to other class mutuals, and will have its offices at 89 Broad street, Boston.

## Jan. 1 Deadline for Commission Top

The National Automobile Underwriters Association has notified members that the deadline for enforcement of the 30 percent maximum commission rule on finance business is now Jan. 1. This does not include finance accounts approved under the recently announced finance plan which carries a separate and distinct commission limitation. Each member must advise the N. A. U. A. after Jan. 1 that all its finance accounts are in conformity with the 30 percent rule.

The 30 percent commission ceiling was decided upon at a meeting of the N. A. U. A. Feb. 16, 1939, and the deadline was fixed at Feb. 16, 1940. However, some of the members took the position that the commission limitation was to be part of a program which would include a new plan for handling finance business. Inasmuch as such a finance plan was not adopted at the time of the Feb. 16, 1940, deadline, some of the companies did not bring their accounts into conformity commission-wise at that time. Now the N. A. U. A. takes the position that a finance plan has been adopted and the 30 percent commission rule is to be enforced.

## MARINE

### Tacoma Bridge Loss May Bring Litigation

SEATTLE—Before settlement of the Tacoma Narrows Bridge loss can be effected the question must first be determined as to whether the structure had been legally accepted by the responsible commission, for on this point hinges the matter of liability as between the different types of insurance carriers involved. It is freely predicted that litigation may be necessary.

The common understanding here is that under the terms of the \$4,000,000 completion bonds provided by a number of surety companies, their liability was to terminate with the acceptance of the structure by the commission, the bonds not containing a maintenance provision. The commission had promised the public the bridge would be open for traffic July 1, and it was so opened although work on it had not been fully completed.

Since the opening of the structure, until the date of its collapse, the commission had been engaged in checking the work, although whether its task was finished or not, members of the commission refuse to state. If the bridge had not been formally accepted as specified in the terms of the contract, the argument is advanced that the fire companies having an aggregate of \$2,500,000 builders risk coverage, together with the surety offices that issued the completion bonds for \$4,000,000, are liable for the loss. If, on the other hand, the bridge had been formally accepted by the commission, of course the responsible insurers would be those carrying the general all-risk cover of \$5,000,000.

The latest estimate of the damage is 25 percent, engineering tests of the

towers revealing, in the opinion of the experts, that these are firm.

About a week before the bridge collapsed a field man of Millers National went across it. He became alarmed and notified his company, which succeeded in passing off \$50,000 of its liability on the bridge. It had a \$50,000 policy left at the time of the collapse.

### Long Marine Special Agent

F. B. Long has been appointed marine special agent by the National Union Fire to have headquarters in the home office at Pittsburgh and to travel in western Pennsylvania and Ohio. He has had about 12 years' marine insurance experience, most of it at Chicago where he formerly was connected with the Automobile. Mr. Long worked up to underwriter there, then was transferred to Detroit as marine special agent. He was connected with the Automobile for nine years, then did marine underwriting for Pacific National Fire before going with the National Retailers Mutual at Boston as inland marine supervisor. He resigned this post to join the National Union.

### Jacobson to Groninger & Co.

SEATTLE—The Groninger & Co. general agency has established an inland marine, ocean marine and all-risk department, and has appointed N. M. Jacobson, formerly marine special agent of the Home of New York in Seattle, as manager of the new department.

### Iowa Department Recast as Kirkpatrick Leaves

DES MOINES—A series of changes in the Iowa department resulted from the resignation of Clair C. Kirkpatrick, first deputy and actuary in charge of the life department, to become actuary of American Mutual Life of Des Moines.

Mr. Kirkpatrick will succeed Arthur Larsen, actuary and secretary of the American Mutual, who will become actuary of United Benefit Life of Omaha. Ralph Knudson, second deputy and head of the securities division, will be named first deputy and B. Russell Thomas, an examiner will take Mr. Kirkpatrick's place as actuary in charge of the life department and will hold the title of second deputy.

Mr. Fischer and Mr. Kirkpatrick are in New York attending the commissioners convention.

Mr. Kirkpatrick has been with the Iowa department 15½ years, starting as an examiner. He was appointed first deputy in February, 1939. For many years he was chief examiner of the life department.

Mr. Knudson joined the department in 1939. He formerly was first deputy of the securities department when Mr. Fischer headed that department before it was consolidated with the insurance department.

Mr. Thomas, a graduate of the University of Iowa and a native of Corning, Ia., has been with the department as examiner for five years. At one time he was with Central Life of Iowa.

### To Consider New York Rule

NEW YORK—The New York Fire Insurance Exchange at a meeting Dec. 11 will consider a proposed change in the rule governing "improvements and betterments," which is intended to provide for specific insurance on lessee's interest in improvements and betterments installed or owned by the lessee which are of a structural character and which are part of the building without specific publication of rate by the exchange. The suggested rule is: "(h) Lessee's interest in improvements and betterments installed or owned by the lessee may be insured separately at the building rate, plus 10 percent, when the item contains the following clause: In consideration of the reduced rate applying to this item covering improvements and betterments installed or owned by the lessee, it is understood and

## Spokesman Sees High Accident Rate

(CONTINUED FROM PAGE 17)

tors are nuisances and safety devices some times slow up production. The problem is not only to install the best safety devices, but to see that they are used and to make the men health and safety conscious.

"In this emergency, production must not be curtailed by the inefficiency of lost time through sickness, accident, occupational disease and death. We must have less than 16,000 deaths and a million and half disablements during the coming year. It will be difficult not to exceed this figure because of the greater pressure under which we will be operating and the untrained personnel with whom we will be dealing, but this should only be a challenge to us to increase our efforts."

agreed that only those improvements and betterments are covered under this item which are of a structural character and which are a part of the building."

### M. W. Mays Active in Ohio

COLUMBUS—Milton W. Mays, director Business Development Office, addressed the Ohio Stock Fire Insurance Speakers Association Monday on public speaking. On Tuesday he spoke before the Ohio Fire Underwriters Association. The Underwriters Association decided to hold no meeting in January. The February meeting will be held in Cleveland on the 4th. It is planned to devote a part of the meetings hereafter to a program to be put on with the assistance of the members of the speakers clubs in Columbus and Cleveland. Joseph F. Lisy, Jr., Home, who has been transferred to St. Louis, has resigned as chairman of the executive committee. George H. Giles, Springfield, succeeds him.

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## C. E. Case Retires from North British

(CONTINUED FROM PAGE 3)

ceed on his own merits. Young Mr. Case went with the W. L. Perrin agency as assistant surveyor. Then, for a time, he was connected with United Fire of Baltimore and later went with New York Underwriters as special agent for New York.

Mr. Case joined North British in 1906 as New Jersey special agent.

### Work With Commonwealth

One morning Mr. Case read that North British had purchased Commonwealth which was then a small company. He thereupon called on E. G. Richards, who was U. S. manager of



GEORGE H. DUXBURY

North British, and asked to be appointed special agent for Commonwealth. That was arranged and Mr. Case was assigned a territory of 13 states in which there were but three agents. Mr. Case devoted himself to the task diligently and built up a sizable agency plant. He assumed more and more responsibilities and was elected secretary of Commonwealth in 1908. Two years later, the management of Commonwealth and North British was consolidated and Mr. Case became assistant general agent of the middle department. In 1911 he was made assistant secretary of North British.

Four months later he was advanced to general agent in charge of the western department and in a period of five years he brought the figures of that department out of the red and showing a profit. His title was changed in 1918 to assistant manager, although he continued in direct supervision of the western territory. Soon after Mr. Shallcross became head of the group, he selected Mr. Case as his chief assistant.

Mr. Case is a past president of the Insurance Society of New York, he is treasurer and a director of the National Automobile Underwriters Association; chairman of the governing committee of Aero Insurance Underwriters; vice-president of Oil Insurance Association and he has served on many committees of the National Board.

Mr. Case in all his relationships has been fair minded and impartial. He has always made himself available to every one who wanted to see him.

In the civic life of his home community of Summit, N. J., he has long been an active figure, notably in the work of the Episcopal Church and in the Y. M. C. A.

Charles L. Case II, son of C. E. Case, is now with Home at Indianapolis, while a brother, Frederick T., is a prominent insurance lawyer of New York.

Mr. Stockham joined North British in

1912 after a few months of insurance experience elsewhere. After serving in the war he returned to North British and for some years handled foreign brokerage business placed in New York. In 1926 he entered the secretarial department and a few months later was appointed assistant secretary. In 1933, he was advanced to secretary.

## Farley, La Guardia at Mid-year Meeting

(CONTINUED FROM PAGE 3)

success, he said, has been largely due to his real affection for people. Mr. Pink was very gracious in his introduction and Mr. Farley said that a few years ago his young son about 11 years of age had read in a paper something about him in which he was called "great." At the breakfast table he said that Jimmy Jr. inquired, "Father, you do not think you are a great man, do you?" Mr. Farley said, "No." The son replied, "Neither do I."

Mr. Farley referred to the fact that the post office department last year did a business of \$760,000,000. It was especially good, he said, in October this year as the receipts were \$7,000,000 above those of October 1939. Therefore, he thinks a presidential election is a good thing for the post office department once in a while.

### Insurance and the People

Insurance, he said, represents the largest business institution in the country. More people are concerned with insurance because of its many varieties than they are with anything else. It touches, he said, more than half the people in some way or other and means much to them. The business had encountered serious difficulties as all others have. He said that insurance had passed through these difficult years suc-

cessfully and is in better condition than before. He said that people desire to have confidence in those with whom they do business and therefore it is highly necessary for the insurance companies and insurance business to be carried on with high regard for the policyholders.

### No Disrespect is Shown

Mr. Farley said that during the year he visited 1,500 different communities. He acknowledged that on a number of these he was seeking votes. In no way, he said, was there any manifestation of any sign of disrespect. He acknowledged that he had a real affection for this country. He said that he had his own political views as to the recent campaign and he confessed they had not changed. However, he said that all people should accept the will of the majority. It is highly essential, in his opinion, for people to lay aside their political differences at this time and stand back of the government in its effort to promote the safety of this nation. With all hands united there is no reason, he added, why the country should not be very prosperous. He regards New York City as the greatest city in the world.

## Finds HOLC Contract Violates Utah Statute

SALT LAKE CITY—In an opinion to the insurance department, the Utah attorney-general has ruled that the insurance contract between the Home Owners Loan Corporation and the Stock Company Association is forbidden under the state anti-discrimination law.

"As I understand our statutes," the attorney-general stated, "the same rate shall be charged against every insured for the same class of risk, regardless of the quantity of property insured. I am, therefore, of the opinion that the terms of the proposed Stock Company Association contract with the HOLC are dis-

criminatory, and, as such, are forbidden under the laws of this state."

A. F. Muentner, Pacific Coast manager of the lumber mutuals, has appointed R. W. Scellars special agent in southern California, with headquarters in Los Angeles. He previously had been for five years with the Federal Hardware Mutual, and for the past year with the Northwestern Mutual.

The North America's Canadian employees have presented a fully equipped ambulance to the Canadian Red Cross for duty in England.



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With the opening of New Hotel Admiral Semmes, Mobile, Alabama, boasts one of the South's finest hostels. This 250-room 100% Air-Conditioned hotel offers the very latest innovations for guest comfort. When in Mobile be sure to "Drop Anchor" at the ADMIRAL SEMMES.

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HOTEL LAMAR	Meridian
NEBRASKA	Omaha
HOTEL PAXTON	Omaha
NEW MEXICO	Clevis
HOTEL CLOVIS	Clevis
OKLAHOMA	Oklahoma City
OKLAHOMA BILTMORE	Oklahoma City
HOTEL HUBER	Muskogee
HOTEL BELMONT	Oklahoma City
HOTEL ALDRIDGE	Wewoka
SOUTH CAROLINA	Columbia
HOTEL WADE HAMPTON	Columbia
TEXAS	
HOTEL ALICE	Alice
HOTEL STEPHEN F. AUSTIN	Austin
HOTEL SETTLES	Brownwood
HOTEL BROWNWOOD	Brownwood
HOTEL SOUTHERN	Cisco
HOTEL LAGUNA	El Paso
HOTEL CORTEZ	Fort Worth
HOTEL TEXAS	Galveston
HOTEL BUCCANEER	Galveston
HOTEL GALVEZ	Galveston
HOTEL JEAN LAFITTE	Galveston
CORONADO COURTS	Galveston
JACK TAN COURT	Galveston
HOTEL CAVALIER	Laredo
HOTEL PLAZA	Lubbock
HOTEL LUBBOCK	Lubbock
HOTEL FALLS	Marlin
HOTEL CACTUS	San Antonio
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OF WINTERTHUR, SWITZERLAND  
111 JOHN STREET  
NEW YORK

*United States Branch*

CONDENSED  
STATEMENT  
DECEMBER 31, 1939

ADMITTED ASSETS

U. S. Government Bonds . . . . .	\$1,923,063.00
Other Bonds . . . . .	1,476,261.00
Stocks . . . . .	144,487.00
Other Assets . . . . .	650,146.24
Total . . . . .	\$4,193,957.24

Reserves:

LIABILITIES

Voluntary Contingency . . . . .	\$ 309,763.57
Other Liabilities . . . . .	1,384,193.67
Statutory Deposit with New York . . . . .	\$ 850,000.00
Net Surplus over Deposit . . . . .	1,650,000.00
Policy Holders' Surplus . . . . .	2,500,000.00
Total . . . . .	\$4,193,957.24

Bonds and Stocks owned are valued in accordance with requirements of New York State Insurance Department and National Association of Insurance Commissioners. Securities carried in above Statement at \$1,366,094.76 are deposited as required by law.

On the basis of December 31st, 1939 market quotations for all bonds and stocks owned this Company's total admitted assets would be increased to \$4,264,793.24 and Voluntary Contingency Reserve to \$380,599.57.

*All Assets in this Statement are held, in their entirety, for protection of United States Branch of the Company and its Policyholders and Creditors.*

INVESTED ASSETS

54.27% U. S. Government Bonds  
41.65% Other Bonds; 4.08% Stocks



NEAL BASSETT, U. S. Manager  
OGDEN DAVIDSON, U. S. Assistant Manager  
CHARLES A. BARKIE, U. S. Assistant Manager  
OWEN F. A. HIGGOTT, U. S. Branch Treasurer



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plains the purpose and value of Survey and Analysis in the shortest possible time, this is your book.

Your National Fire Group counselor can supply you with "How to Beat the Green Bay Packers," or you can have a copy by returning the coupon below, and without the slightest obligation. Whether or not you represent a company in the National Fire Group, we'd like you to have a copy, by way of showing you the kind of practical help we give our representatives.

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Pacific Department: 234 Bush Street, San Francisco

The National Fire Group,  
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